Company Number: 06564638

Scancell Holdings plc

REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS

for the year ended 30 April 2023

Scancell Holdings plc
COMPANY INFORMATION

DIRECTORS

Dr Jean-Michel Cosséry
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Scancell Holdings plc

CHAIRMAN'S STATEMENT

for the year ended 30 April 2023

It is with great pleasure that I to write to you for the first time as Chairman of Scancell. Since joining in February 2023, I have been impressed by the groundbreaking science from which we have developed a pipeline of patent-protected innovative immune-oncology products and I strongly believe this is a pivotal time in the Company's evolution.

Our lead cancer vaccines, SCIB1 and Modi-1, have shown positive early efficacy results and recruitment continues on track to meet further near-term clinical milestones during 2024. These clinical assets are supplemented by our proprietary antibody platforms, GlyMab® and AvidiMab®, which provide potential for further out-licensing deals following our commercial license agreement with Genmab in October 2022.

Scancell is funded to reach these near-term milestones with sufficient funds through to early 2025 and is backed by specialist biotech investors, including Redmile Group and Vulpes Life Sciences. We have an experienced board and leadership team with a track record of delivery, combined with a highly skilled scientific team and a lean organisation, all focused on delivering value from our platforms in efficient timelines.

I'd like to take this opportunity to highlight our recent impressive results from the first stage of the Phase 2 SCOPE trial. The Phase 2 SCOPE trial is investigating SCIB1 delivered needle-free and in combination with checkpoint inhibitors (CPIs) in advanced melanoma. Remarkable initial data from 11 patients showed an 82% objective response rate (ORR) to treatment with no increase in toxicity, better than 70% ORR that the trial was configured to show. We are excited because, to our knowledge, no other combination has achieved this response rate with doublet checkpoint inhibitors in unresectable metastatic melanoma. Confirmation of this data in a larger cohort could make a significant impact on melanoma patient survival, especially as melanoma is now the most common cancer in young women and is increasing in incidence.

Our progress could not have been achieved without our talented employees and I would like to thank them for their hard work and dedication. In addition, the Board would like to thank all existing shareholders, especially Redmile Group and Vulpes Life Sciences, for their continued support as we look forward to delivering on our plans over the next 12 months and beyond.

Looking ahead we will remain focused on maintaining our momentum for SCIB1 and Modi-1 whilst actively seeking out-licensing, collaborations and partnerships to accelerate the development and commercialisation of our products and platforms. We believe the impressive data from the SCOPE trial, combined with further near-term milestones and commercial opportunities will soon provide exciting inflection drivers. We remain confident on achieving the potential of these treatments for patients, whilst creating and delivering significant long-term value for our shareholders.

Jean-Michel Cosséry
Chairman
30 October 2023

Scancell Holdings plc

CHIEF EXECUTIVE'S REPORT

for the year ended 30 April 2023

I am pleased to report that Scancell has delivered a strong year, achieving significant clinical and commercial milestones. In the period, the Company decided to concentrate its strategic focus and resources on its lead cancer vaccines, SCIB1 and Modi-1 which have shown positive early efficacy data. The decision to focus on these assets reflects the need to manage our resources and cash in a tough macroeconomic environment which is impacting ability to access further capital. The Company has strong confidence in its other assets and will continually assess partnering and out-licensing options to drive these assets forward and add further value.

Key highlights (including post-period)

SCIB1 (SCOPE trial)

- SCIB1 reported positive data from the first stage of its Phase 2 SCOPE trial for advanced melanoma.
- SCIB1 in combination with checkpoint inhibitors (CPIs) showed an 82% objective response rate (ORR) to treatment in 11 patients, exceeding 70% ORR expectations and accompanied by meaningful tumour volume reduction
- In the real word setting in patients just receiving the doublet CPI therapy, the ORR is 50% with a progression free survival of 11.5 months
- Recruitment in the second stage is expected to be complete by the end of 2023 with data available in H1 2024 and a clear potential development pathway
- iSCIB1+ cohort could be added to SCOPE trial if the protocol amendment is approved by the MHRA with early data with iSCIB1+ available in H1 2024

Modi-1 (ModiFY trial)

- Modi-1 has completed dose escalation and safety cohorts of the Phase 1/2 ModiFY trial and is now into expansion cohorts
- Early data from patients receiving Modi-1 as a monotherapy showed good safety and tolerability, with no dose limiting toxicities observed in dose escalation cohorts
- Modi-1 demonstrated encouraging early efficacy in a head and neck cancer patient and in other hard-to-treat cancers such as high grade serous ovarian carcinoma (HGSOC) and triple negative breast cancer (TNBC)
- Early clinical data with Modi-1 expected to be available in 2024

Antibodies

- GlyMab® and AvidiMab® platforms provide potential out licensing opportunities with active discussions ongoing with Pharmaceutical and Biotech companies.
- Data presented at AACR-CIMT in September illustrated the potential of Scancell antibodies as chimeric antigen receptor T cell (CART) therapies

Corporate

- Jean-Michel Cosséry appointed as our Non-Executive Chairman, bringing over 25 years of healthcare experience and a sustained global track record of success
- Sath Nirmalananthan appointed as Chief Financial Officer and Dr Mandeep Sehmi as Head of Business Development building our commercial capabilities

Financial Highlights

- Operating loss for the 12-month period to 30 April 2023 of £11.9 million (30 April 2022 operating loss of £13.3 million)
- Group cash balance at 30 April 2023 was £19.9 million (30 April 2022: £28.7 million) with a cash runway through to early 2025 achieving the near-term clinical milestones for SCIB1 and Modi-1

Set out below is a summary of progress that has been made across our innovative and proprietary vaccine and antibody platforms.

VACCINES

ImmunoBody® platform

Scancell's ImmunoBody® immunotherapy platform uses the body's immune system to identify, attack and destroy tumours. This is achieved by delivering a DNA plasmid to enhance the uptake and presentation of cancer antigens to harness high avidity T cell responses, offering the potential for enhanced efficacy and safety compared with more conventional approaches. These vaccines have the potential to be used as monotherapy or in combination with checkpoint inhibitors and other agents. This platform has the potential to enhance tumour destruction, prevent disease recurrence and extend survival.

SCIB1

SCIB1 is the lead product from the Company's ImmunoBody® immunotherapy platform. It is currently being evaluated in a Phase 2 SCOPE trial in the UK in combination with checkpoint inhibitors for the treatment of advanced melanoma. The SCOPE study is an open-label, multi-cohort, multicentre Phase 2 study. In June 2022, the Medicines and Healthcare products Regulatory Agency (MHRA) approved a protocol amendment allowing the trial to include a cohort of advanced melanoma patients who will receive SCIB1 plus doublet therapy consisting of ipilimumab (Yervoy®) plus nivolumab (Opdivo®) in addition to the cohort who will receive SCIB1 with pembrolizumab (Keytruda®). This reflects the current treatment landscape for unresectable metastatic melanoma patients. The Phase 2 study is designed to assess whether the addition of SCIB1 treatment to CPI standard of care results in an improvement in patient outcomes for patients with metastatic disease. The primary objectives of the trial are tumour response rate, progression-free survival and overall survival in patients with advanced melanoma. The SCIB1 vaccine is delivered via a PharmaJet® needle-free injection, which provides enhanced patient acceptance versus electroporation.

In September 2023, Scancell reported positive data from the first stage in its Phase 2 SCOPE trial, investigating SCIB1 in combination with doublet therapy checkpoint inhibitors in advanced melanoma. Initial data from 11 patients showed an 82% objective response rate (ORR) to treatment, which is better than 70% ORR that the trial was configured to show. The first milestone in the SCOPE trial was to achieve responses in more than 8 out of 15 patients which would suggest that SCIB1 in combination with doublet CPI therapy might meaningfully improve current outcomes for these patients. 16 stage IV metastatic patients received this combination. 11 of these study patients have reached 13 weeks and been evaluated at radiological imaging and nine have already shown an objective response, equating to an ORR of 82% with no increase in toxicity. At this time point the reduction in tumour volume was 31%-94%. Four patients reaching the 25 weeks imaging evaluation and two reaching the 37 weeks evaluation have shown a 69%-94% and a 87%-94% reduction in total tumour burden, respectively. This compares to an ORR of 50% reported in patients just receiving this doublet CPI therapy in the real world setting with a progression free survival time of 11.5 months.

The SCOPE trial has now successfully transitioned into the second stage, which will recruit a further 27 patients (for a total of 43). The aim is to achieve at least 18 further responses (i.e., 27 responses in total) which would statistically demonstrate that SCIB1, in combination with doublet therapy, exceeds currently achievable ORRs. Based upon the first 11 patients there is a greater than 90% probability that the second phase will also be successful. The second stage of recruitment is expected to be complete by the end of 2023 with data available in H1 2024.

If validated in the second stage of the SCOPE trial this will provide confidence to initiate a randomised Phase 2/3 adapted registration programme in patients with unresectable melanoma. The Phase 2 part of the adapted trial should take 18 months and we anticipate it will generate significant partner interest.

iSCIB1+

iSCIB1+ is a modified version of SCIB1 developed using the company's AvidiMab® platform. iSCIB1+ also includes more melanoma-specific epitopes so it can be used by a broader patient population rather than SCIB1 which is limited to the 40% of patients who have the appropriate HLA. Furthermore, iSCIB1+ has competitive advantages to SCIB1, including potentially increased potency and extending the patent life by 15 years to 2031.

Given the significant improvements in potency, utility and patent life with iSCIB1+, the Company plans to include an iSCIB1+ cohort in the SCOPE trial once a protocol amendment has been approved by the MHRA. The amendment to the current trial protocol, to include a new parallel cohort with the double CPIs with iSCIB1+, has been submitted to the MHRA and we are awaiting a response.

The unresectable melanoma market represents a potential $1.5 billion per annum market.

Moditope® platform

Moditope® is a versatile proprietary cancer vaccine platform that targets stress-induced post-translational modifications (siPTMs) of proteins. This discovery has allowed the Company to develop a completely new class of potent and selective therapeutic vaccines. Examples of such modifications include citrullination, an enzyme-based conversion of arginine to citrulline, and homocitrullination, in which lysine residues are converted to homocitrulline. Expression of peptides containing these modifications have been demonstrated to induce potent CD4 cytotoxic T cells that induce anti-tumour activity without any associated toxicity.

Modi-1

Modi-1, which targets citrullinated cancer antigens, is the first therapeutic vaccine candidate to emerge from Company's Moditope® platform. Modi-1 consists of three citrullinated tumour-associated peptides exploiting the normal immune response to stressed cells, which is largely mediated by cytotoxic CD4 T cells. The peptides are linked to AMPLIVANT®, a potent adjuvant which, in preclinical models, enhanced the immune response of Modi-1 10-to-100 fold and resulted in highly efficient tumour clearance, including protection against tumour recurrence. AMPLIVANT® is the subject of a worldwide licensing and collaboration agreement with ISA Pharmaceuticals for the manufacturing, development and commercialisation of Modi-1.

The ModiFY study is an open-label, multicohort, multicentre, adaptive Phase 1/2 trial with Modi-1 being administered alone or in combination with CPIs in patients with head and neck, triple negative breast and renal tumours and as a monotherapy in patients with ovarian cancer, where there are no approved CPI therapies and in patients with the other tumour types where CPIs are not indicated. Modi-1 stimulates CD4 T cells which may directly impact tumour growth however in some patients if the tumour environment is highly immunosuppressive, these T cells may need to be protected by CPIs. This open label Phase 1/2 study is assessing the safety and immunogenicity of two citrullinated vimentin peptides and citrullinated enolase peptide. This open label study will recruit over 100 patients in up to 20 UK clinical trial sites. In addition, the effect of Modi-1 in promoting T-cell infiltration into the tumour will be assessed in a neoadjuvant cohort in which a further 30 patients with head and neck cancer will be treated with Modi-1 with or without CPI, prior to their first surgical resection.

The ModiFY trial has completed its dose escalation and safety cohorts. Data from patients receiving the Modi-1 cancer vaccine as a monotherapy showed that it was safe and well tolerated and demonstrated encouraging early efficacy in a head and neck cancer patient and in other hard-to-treat cancers such as high grade serous ovarian carcinoma (HGSOC) and triple negative breast cancer (TNBC). The cohort of 16 ovarian cancer patients receiving Modi-1 has now been fully recruited. All patients had failed on previous treatments and their disease was actively progressing when they entered the study. Following treatment with Modi-1 44% of patients achieved stable disease for at least 8 weeks, with some patients experiencing a longer duration of disease stability for 4 months or more. The number of patients who have experienced long periods of stable disease following monotherapy with Modi-1 is encouraging in this difficult to treat cancer and the Company believes that combination therapy with checkpoint inhibitors, which are not currently approved for the treatment of ovarian cancer, could further

improve outcomes for this patient group. Evaluation of Modi-1 plus checkpoint inhibitors in other tumour types in the ongoing Phase 1/2 study, will provide supporting data for this proposed combination use.

In the other monotherapy cancer cohorts, a total of eight patients have received full dose Modi-1. One TNBC patient remains on trial with stable disease beyond 35 weeks. One head and neck patient achieved a partial response. Recruitment is ongoing.

In July 2023, the ModiFY study moved into the expansion cohorts, following approval by the safety review committee. The expansion cohorts include Modi-1 in combination with checkpoint inhibitors (CPI) and in the neoadjuvant setting. All three patients in Cohort 4 have now successfully received two doses of Modi-1 plus CPI and the treatments were well tolerated with no safety concerns. 21 patients will be recruited into each cohort. Patients with triple negative breast cancer will not be included in this part of the study as these patients receive checkpoints in combination with chemotherapy which may induce citrullination in normal cells and induce toxicity.

This study will recruit 30 patients who will be randomised at diagnosis to receive either two doses of Modi-1 three weeks apart or two doses of Modi-1 plus one dose of CPI. Tumour biopsies will be taken prior to immunisation and from the tumour resection 6 weeks following the initial vaccination. The two tumour samples will allow the extent of T cell infiltration and activation pre- and post-Modi-1 vaccination to be assessed with and without a checkpoint inhibitor.

Early clinical data with Modi-1 expected to be available in 2024.

Modi-2

Modi-2, which targets homocitrullinated cancer antigens, is the second therapeutic vaccine candidate from the Company's Moditope® platform and has the potential to address different cancer indications to Modi-1, including tumours with a particularly immunosuppressive environment.

In November 2022, the Company in-licensed the SNAPvax™ technology from Vaccitech plc, a clinical-stage biopharmaceutical company engaged in the discovery and development of novel immunotherapies and vaccines. The agreement allows Scancell to formulate and manufacture Modi-2. The SNAPvax™ technology enables peptides to self-assemble with TLR-7/8a, a powerful adjuvant, to promote strong T cell responses and is proven to successfully overcome formulation issues associated with immunogenic peptide antigens, which are often highly hydrophobic and prone to manufacturing challenges with conventional formulations. Modi-2 will use SNAPvax™ to co-deliver homocitrullinated peptide antigens and TLR-7/8a adjuvants in self-assembling nanoparticles designed to prime tumour killing T cells.

The Company expects that the combination of Modi-2 with a highly effective platform for inducing T cells (Vaccitech's SNAPvax™ technology) will lead to a potentially superior therapeutic vaccine candidate.

COVIDITY

As previously disclosed, the Company has decided not to take this vaccine forward in house due to the large size of later stage trials and the competitive Covid-19 landscape, however the previous positive data in February 2023 for COVIDITY demonstrates the validation of the vaccine platform, including AvidiMab®. The Company will now seek a partner to progress the COVIDITY vaccine programme.

ANTIBODIES

GlyMab®

The GlyMab® platform provides a powerful and versatile approach to generating novel antibody drug candidates for our own clinical pipeline but also to create upfront, milestone and revenue generating partnerships with other companies in areas such as drug targeting to capitalise on other groups expertise. The GlyMab® antibodies bind to sugar motifs, rather than peptide epitopes, found on the surface of glycosylated proteins and lipids expressed by cancer cells. The Company currently has a pipeline of five anti-glycan mAbs: SC129, SC134, SC2811, SC88 and SC27 that target solid tumours including pancreatic, small cell lung, colorectal and gastric cancers. All of these drug candidates have now been successfully humanised and are ready for the next stage of development.

The GlyMab® antibodies can be developed into redirecting T cell bispecific (TCB) antibodies with the potential of entering the clinical trials providing a promising new therapeutic approach for treating cancer. TCB antibodies have dual-binding specificity which crosslinks tumour cells via their glycans with an activating receptor CD3 on T cells. This results in activation of killer T cells and tumour cell death. These antibodies are particularly potent in tumours which have lost the T cell recognition molecule major histocompatibility antigen (MHC) or where there is limited T cell infiltration as they by-pass normal T cell activation pathways and redirect the host immune system to the tumour. SC134 has now been successfully developed in the lab as a TCB.

In October 2022, Scancell signed its first commercial license agreement with Genmab. Genmab were granted a worldwide license to an anti-glycan monoclonal antibody generated via Scancell's proprietary GlyMab® platform, for the development and commercialisation of novel therapeutic products. The Company received £5.3 million in up front payment as well as potential milestone payments of up to $208 million for each product developed and commercialised, up to a maximum of $624 million if Genmab develops and commercialises products across all defined modalities. The Company will also receive low single digit royalties from Genmab on net sales of all commercialised products.

AvidiMab®

AvidiMab® is a versatile proprietary platform technology that can enhance the avidity and thereby the potency of any antibody. To date, the Company has used AvidiMab® in its internal programmes to:

- Engineer the anti-glycan mAbs to improve their ability to directly kill tumour cells.
- Engineer other mAbs to enhance their potency and/or extend their patent lifetime.
- Increase the breadth of response and potency of Scancell's ImmunoBody® cancer products.
- Increase the potency of the T cell response in Scancell's COVID-19 vaccine which in turn should lead to improvements in long-term protection and immunological memory.

AvidiMab® platform successfully applied to internal programmes, including iSCIB1+ and COVIDITY, and holds potential to enhance the efficacy of third-party antibodies.

CORPORATE

The Company has been building its organisational capabilities through key appointments to the Board and Leadership teams.

During the year Jean-Michel Cosséry was appointed as the Non-Executive Chairman. Jean-Michel brings to Scancell over 25 years of experience in the pharmaceutical and biotechnology industries and a sustained global track record of success in commercial operations as well as in capital raising, US and European public offerings, business development and M&A. We are already capitalising on his experience as we continue on our journey to deliver the next stage of growth.

The Company has also recently appointed Sath Nirmalananthan as Chief Financial Officer and Dr Mandeep Sehmi as Head of Business Development. Both appointments bring highly relevant experience from the pharmaceutical sector to the company that will further enhance its commercial capabilities and accelerate the Company forward in achieving its strategic objectives.

FINANCIAL REVIEW

Profit or Loss and Other Comprehensive Income Statement

The Group made an operating loss for the year to 30 April 2023 of £11.9 million (2022: operating loss of £13.3 million). Revenue from the licencing deal with Genmab of £5.3 million reduced the operating loss significantly.

The increase in development expenditure to £11.6 million (2022: £9.5 million) reflects an increase in average numbers of research and clinical staff from 33 to 43 together with additional costs incurred with increased recruitment in the SCOPE and ModiFY clinical trials and completion of the COVID clinical trial.

Administrative expenditure has increased by 4% to £5.0 million (2022: £4.8 million).

During the previous year the group received grant income of £0.97 million from Innovate UK. This ceased at 31 March 2022.

Interest payable of £1.2 million (2022 restated: £1.8 million) largely relates to the effective interest on the convertible loan notes (CLNs) which were issued in August and November 2020. The interest paid on the Convertible Loan Notes in the year amounted to £0.5 million (2022: £0.5 million)

The finance expense of £1.5 million (2022 restated: finance income £16.0 million) relating to the derivative liability is the fair value adjustment of the derivative liability at 30 April 2023. The finance expense and prior year's credit are not cash items and have no impact upon the Company's cashflow.

The restated loss on the substantial modification of the CLNs for the year ended 30 April 2022 amounting to £7.2 million arose from accounting adjustments from the replacement of the CLNs in existence at 27 October 2021 with new CLNs with a later maturity date.

The loss before taxation amounted to £14.2 million (2022 restated: £6.3 million) and the R&D tax credit increased to £2.4 million (2022: £1.7 million). This increase reflects the increased development expenditure incurred during the year.

Overall, the loss for the year was £11.9 million (2022 restated: loss £4.6 million).

Statement of Financial Position

At 30 April 2023, the Group had net liabilities of £6.2 million (2022 restated: £4.8 million net assets) including cash at bank of £19.9 million (2022: £28.7 million). The net liabilities have arisen at 30 April 2023 as a result of amending the convertible loan notes' derivative liability valuation, as described further below and incurring losses of £11.9 million for the year.

The tax receivable due at the end of the year amounted to £4.2 million (2022: £3.0 million) and relates to the R&D tax credit for the 2021/22 tax year plus the tax credit for the year to 30 April 2023. The 2021/22 tax credit of £1.7million has been received post year-end.

The increase in Trade and other payables to £3.0 million (2022: £2.1 million) is due to increased expenditure during the year as development activities have increased.

The Derivative Liabilities represents the fair value of the conversion feature of the CLNs with changes in value being shown in the Consolidated Profit or Loss and Other Comprehensive Income Statement as a finance income or expense.

Consolidated Cash Flow Statement

As at 30 April 2023 bank balances amounted to £19.9 million (2022: £28.7 million). As can be seen in the Consolidated Cash Flow Statement, there has been a decrease in cash and cash equivalents of £8.8 million (2022: decrease £12.3 million). The Company has been able to progress on all research and development platforms with the cash used for this being £9.4 million (2022: £11.5 million), purchase of fixed assets amounting to £0.2million (2022: £1.3 million), and payment of interest on the Convertible Loan Notes of £537k (£2022: £537k).

Prior Period Restatement

The Company and its auditor reviewed the valuation and accounting for convertible loan notes and identified certain corrections required to the current and prior periods' Group and company results, as fully described in note 24 to the consolidated financial statements.

This prior period restatement also resulted in adjustments to the cashflow statements, in respect of adjusting loss before tax, non-cash revaluation gains/losses and non-cash interest payable. There was no impact on cash itself and the prior period restatement does not impact the convertible loans' notional amounts or maturity dates disclosed.

OUTLOOK

Given the significant clinical and commercial milestones achieved in the period, positive early efficacy data, and with sufficient resources to fund our current strategy, the Company is confident it will achieve its near-term clinical milestones. Key milestones for the following 18 months include:

- Second stage of SCOPE study in advanced melanoma with SCIB1 anticipated to complete recruitment by the end of 2023 with data available in H1 2024
- iSCIB1+ planned to be included in the SCOPE study. Protocol amendment pending MHRA approval
- Phase 2/3 seamless adaptive registration trial with SCIB1 or iSCIB1+ to begin in 2024
- ModiFY trial to continue recruitment in the expansion cohorts with early clinical data expected in 2024
- Continue to assess out-licensing options for the GlyMab® and AvidiMab® platforms providing a source of non-dilutive cash to drive our other assets forward in development

The Board is pleased with the progress that the Company has achieved over the period and would like to thank our shareholders once again for their continued support.

Professor Lindy Durrant
Chief Executive Officer
30 October 2023

Scancell Holdings plc
DIRECTORS
for the year ended 30 April 2023

The current Directors of the Company are:

Dr Jean-Michel Cosséry (Chairman)
Dr Jean-Michel Cosséry has over 25 years of experience in the pharmaceutical and biotechnology industries with a sustained global track record of success in commercial operations as well as in capital raising, US and European public offerings, business development and M&A. He served as VP for North America Oncology at Eli Lilly and, prior to this, as Chair of the Eli Lilly UK Board and was Chief Marketing Officer at GE Healthcare's Global Headquarters. Following his retirement from Eli Lilly in 2018, Jean-Michel has served on the boards of Kymab and Immunocore. He currently serves, as a non-executive director on the boards of Malin PLC, Exact Therapeutics AS, Eracal Therapeutics and Sophia Genetics SA.

Professor Lindy Durrant (Chief Executive Officer, Chief Scientific Officer)
Professor Lindy Durrant is an internationally recognised immunologist in the field of tumour therapy. She has worked for over 20 years in translational research, developing products for clinical trials including monoclonal antibodies and cancer vaccines. She was appointed CEO of the Group in July 2021 and combines the CEO and CSO roles. She has a personal Chair in Cancer Immunotherapy in the Department of Clinical Oncology at the University of Nottingham.

Dr Sally Adams (Chief Development Officer)
Dr Sally Adams has worked on many complex projects over the past 25 years including anti-infective vaccines and cancer immunotherapies. She has previously held Development Director positions in life science companies and, prior to her appointment as Development Director at Scancell, she worked as a development consultant to Scancell providing guidance on the development of SCIB1.

Martin Diggle (Non-Executive Director)
Mr Martin Diggle is a founder, director and partner in Vulpes Investment Management and manages the Vulpes Life Sciences Fund. He has over 30 years' experience in investment banking and fund management and has been an investor in life sciences and biotech for nearly 20 years. His extensive experience of investment management in the life science sector adds a new and valuable insight to the Board of Directors. Martin's other directorships are Proteome Sciences plc, Chronos Therapeutics Limited, Leucid Bio Limited and Oxford Endovascular Limited.

Ursula Ney (Non-Executive Director, Chair of Remuneration Committee)
Dr Ney has over thirty years' experience in the pharmaceutical and biotechnology industry, including twenty years in senior leadership roles that also encompassed Executive and Non-Executive Board positions. She has broad experience of biologic and small molecule drug development across a range of therapeutic areas having been Director of Drug Development and on the Board of Celltech plc and later Chief Operating Officer and Executive Director of Antisoma plc. Most recently, she was Chief Executive Officer of Genkyotex SA. She was on the board of Discuva Ltd and is currently a Non-Executive Director and Chair of the Remuneration Committee of Proteome Sciences plc and also Vice Chair of the Board of Governors and Chair of the Remuneration Committee of the University of Plymouth.

Susan Clement Davies (Non-Executive Director, Chair of Audit Committee)
Susan is an experienced life sciences financier with over 25 years of capital markets and investment banking experience, including Managing Director of Equity Capital Markets at Citigroup Global Markets Limited and most recently until 2018, Managing Director at Torreya Partners LLC. Susan is currently Non-Executive Director and Chairman of the Audit Committee of Evgen Pharma plc, an AIM listed clinical stage drug development company, Non Executive Director and Chair of the Audit Committee of MiNA Therapeutics, Non-Executive Director of Exploristics Ltd and Non-Executive Director and Chair of the Remuneration Committee of Science group PLC, an AIM listed service and product development organisation.

PRINCIPAL ACTIVITY

Scancell is a clinical stage biopharmaceutical company that is leveraging its proprietary research, built up over many years of study of the human adaptive immune system, to generate truly novel vaccine and antibody medicines to treat significant unmet needs in cancer and infectious disease.

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

A detailed review of the business and likely future developments is included in the Chairman's statement on page 2.

The results of the Group for the year are set out in the Consolidated Profit or Loss and other Comprehensive Income statement on page 33.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board meets regularly to review the operations of the business and discuss risk areas.

A system of internal controls has been established and the Board ensures that management keeps these processes under regular review and improves them where appropriate. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board have identified the following risks relating to the Company and its business.

Business strategy may change

The future success of the Company will depend on the Directors' ability to continue to implement effectively its business strategy. In particular, the pursuit of that strategy may be affected by changes in social and demographic factors or by changes in the competitive environment in the markets in which the Group currently operates or expects to operate. If such changes were to materialise the Directors may decide to change certain aspects of the Group's strategy. This might entail the development of alternative products and services, which would place additional strain on the Company's capital resources and may adversely impact on the revenues and profitability of the Group.

Future funding requirements and success of partnership discussions

The Company will require further funding in the future to continue to develop its assets towards commercialisation. There is no guarantee that the Company will be able to secure non-dilutive funding for any of its assets including, but not limited to, licence arrangements with third parties and grant funding. There is no guarantee that the Company will successfully conclude licensing discussions for its technologies on terms that are acceptable to Shareholders or at all. The Board reviews the timelines for completing projects in conjunction with cashflow projections to ensure that the Group will have the necessary cash resources available.

Technology and products

Scancell is an immunotherapy drug discovery company. Its success is dependent upon the development, successful licensing and patenting of its proprietary technology and its products. Products within Scancell's pipeline, both in house and in development with partners, are in relatively early stages of development and, as such, there is no guarantee that the products can be successfully manufactured for clinical testing. There is a risk that safety issues may arise when the products are further tested in humans. This risk is common to all new classes of drugs and, as with all other drug companies, there is a risk that trials may not be successful. To mitigate these risks, the Group employs external consultants and advisers to review these underlying assumptions and the results from preclinical development and clinical trials. The Board considers these assessments and internal documentation on a regular basis and where necessary will amend or adjust the Group's strategy.

Product development timelines
Product development timelines are at risk of delay, particularly since it is not always possible to predict the rate of patient recruitment into clinical trials. There is a risk therefore that product development could take longer than presently expected by the Directors; if such delays occur the Company may require further working capital. The Directors seek to minimise the risk of delays by careful management of projects through continuous monitoring of required cashflows, against available resources and planned fundraising activities.

Patents
The field of antibody and immunotherapy drug development is highly litigious. Scancell's priorities are to protect its IP and seek to avoid infringing other companies' IP. To protect its technology, Scancell has secured and is securing further worldwide rights to patents protecting the ImmunoBody®, Moditope®, GlyMab® and AvidiMab® platforms. However, there remains the risk that Scancell may face opposition from other companies to patents that it seeks to have granted. The Company engages reputable legal advisers to mitigate the risk of patent infringement and to assist with the protection of Scancell's IP.

COVID-19
In the event that there is a further wave of the COVID-19 pandemic this could have an impact on patient recruitment for the clinical trials, slow down research projects and impact third parties' ability to manufacture product, meaning delays in planned timelines. Whilst this would not have an immediate adverse impact on bank balances, it would impact upon project timelines which may result in further funding becoming difficult to secure.

Other
As set out in note 22, the risks and risk assessment regarding financial instruments are considered.

KEY PERFORMANCE INDICATORS
Due to the nature of the business the board considers both non-financial and financial KPIs.

These relate to reviewing, on a regular basis, the scientific and technical progress of the research and development programmes and protection of the intellectual property arising from them together with monitoring the progress being made with the Group's upcoming clinical trials which are discussed in the Chairman's statement from page 2.

The most important financial KPIs are reviewing the research, development and clinical trial expenditure against budget and its subsequent impact.

DIRECTORS' DUTIES SECTION 172 STATEMENT
Under Section 172(1) of the Companies Act 2006, a director of a company must act in the way they considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

a) the likely consequences of any decision in the long-term;
b) the interests of the Company's employees;
c) the need to foster the Company's business relationships with suppliers and others;
d) the impact of the Company's operations on the community and the environment;
e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
f) the need to act fairly between members of the Company.

The Corporate Governance Statement set out on pages 13 to 17 and the Company's website, www.scancell.co.uk, the framework of our engagement with key stakeholder groups and should be read in conjunction with the table below which sets out how the Directors engage with employees and other key stakeholders.

Stakeholder	Topics	How we engage
Employees Scancell's employees are based on two sites in Nottingham and Oxford.	Ensuring both sites view themselves as one Company; communicating performance of the Company; motivating staff	Regular Company meetings with both sites; weekly meetings at individual sites; easy access to Executive Directors; granting of share options
Investors and shareholders Scancell is dependent upon existing and future investors to fund its research and development products, albeit expenditure is partially offset by licence income.	Business Strategy clearly setting out the progress with projects in development and cash requirements	Use of financial PR consultants; interviews with Proactive investors the release of information through the Group's website; the Regulatory News Service of the London Stock Exchange; meeting individual shareholders at AGM
Suppliers Scancell has a wide range of suppliers for consumable items and a few key suppliers who are key to our manufacturing of product	Management of supplier relationships ensuring consumable and other items are delivered on time and at right price	The Company has appointed a Procurement Solutions provider to manage our relationships with Suppliers providing materials for the laboratory. Key suppliers are managed in-house with regular meetings being held with Scancell management
Contract Research Organisations CROs are key to managing Scancell's clinical trial programmes	Management of clinical trials and recruitment of patients; Regulatory and pre-clinical services.	Rigorous selection process before engaging CRO and then regular project meetings

Principal decisions in 2022/23

We have considered the decisions taken by the Board which will have an impact on the longer-term performance and prospects for the Group. The Board believes that the following decisions taken during the year and were made with full consideration of both internal and external stakeholders.

- The decision to sign a commercial licence agreement with Genmab for one of our anti-glycan monoclonal antibodies provides strong validation for our proprietary GlyMab® platform.
- The decision to in-licence SNAPvax™ from Vaccitech to take the second candidate from our Moditope® platform through GMP and subsequent clinical development. The SNAPvax™ technology provides an excellent method for formulation of the Modi-2 vaccine. Combining this technology with our expertise will allow us to develop a rapid manufacturing process for Modi-2.
- The decision to appoint a new Chairman following Dr John Chiplin's decision to retire. Scancell appointed a firm of Executive Search Consultants to find a new Chair and Dr Jean-Michel Cosséry was appointed on 1 February 2023.

Professor Lindy Durrant
Chief Executive Officer
30 October 2023

Scancell Holdings plc
CORPORATE GOVERNANCE
for the year ended 30 April 2023

Principles of corporate governance

The Board recognise the value of good corporate governance not only in the areas of accountability and risk management but also as a positive contribution to delivering and protecting enhanced shareholder value. New regulations were introduced by AIM from 28 September 2018 and the Board has been following the corporate governance principles set out in the Corporate Governance Code published by the Quoted Companies Alliance (QCA), to the extent that it considers the principles to be appropriate. On our website (www.scancell.co.uk/corporate-governance) we set out how the Company and Group addresses the ten key governance principles defined in the QCA Code. It is my primary responsibility, as Chairman to lead the Board effectively and to oversee the adoption, delivery and communication of the Company's corporate governance model.

Board Composition

Dr John Chiplin resigned from the Board in February 2023 and Dr Richard Goodfellow stood down from the Board at the 2022 Annual general Meeting. Dr Jean-Michel Cosséry was appointed as Non-Executive Chairman of the Board in February 2023.

The Board now comprises a Non-Executive Chairman, two Executive Directors and three Non-Executive Directors.

The Board meets regularly to consider strategy, performance, approval of major capital projects and the framework of internal controls. During the year ended 30 April 2023 there were six scheduled board meetings with each member attending as follows:

Director	Number of meetings held whilst a board member	Number of meetings attended
Dr John Chiplin (resigned Feb 2023)	5	4
Dr Jean-Michel Cosséry (appointed Feb 2023)	1	1
Prof Lindy Durrant	6	6
Dr Sally Adams	6	6
Dr Richard Goodfellow (resigned Nov 2022)	4	4
Mr Martin Diggle	6	6
Dr Ursula Ney	6	6
Susan Clement Davies	6	6

The current members of the Board of directors are Listed in the Directors Biography section of these financial statements on page 10.

The Board consists of six members, all of whom have extensive experience in the Life Science sector covering pre-clinical research and development in the field of oncology, clinical development, management of intellectual property, business development and finance.

The Non-Executive Directors are expected to spend such reasonable time required each month to fulfil their role and duties for the Company. This will include attendance at monthly Board meetings, the AGM, meetings with the other Non-Executive directors and meetings with shareholders. Ursula Ney is considered to be an independent director as apart from receipt of fees, she has no financial interest in the Company.

With the mix of expertise on the Board, the Board believes that it is well placed to deliver our business strategy.

The Executive Directors meet on a weekly basis either face to face or by phone to discuss operational matters. To enable the Board to discharge its duties, all Directors receive appropriate and timely information. Briefing papers are distributed to all Directors in advance of Board meetings. All Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that the Board procedures are followed, and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretary is a matter for the Board

as a whole. In addition, procedures are in place to enable the Directors to obtain independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. Subject to the terms of the Executive Directors' service contracts, Directors are subject to retirement by rotation and re-election by the Shareholders at Annual General Meetings on a three-year cycle, as required by the Articles of Association and any Director appointed by the Board shall hold office only until the next Annual General Meeting and shall then be eligible for election.

The Scancell Board has the broad range of skills and capabilities required to direct the Group. These include sector-specific experience in the Business Development and Research and Development functions, as well as more general finance, accounting and business management skills. The Board is supported by the following committees:

Remuneration Committee
The Remuneration Committee comprises Dr Ursula Ney (Chair), Susan Clement Davies and Dr Jean-Michel Cosséry.

The Committee meets at least once a year and more frequently if required. The Committee is responsible for setting the remuneration policy of the Executive Directors, including terms of employment, salaries, any performance bonuses and share option awards. The Executive Directors also consult the Committee in relation to the remuneration of senior employees and staff share option schemes. The remuneration of the Non-Executive Directors is determined by the Board as a whole.

Governance and Nominations Committee
The members of the Governance and Nominations Committee are Dr Jean-Michel Cosséry (Chair), Dr Ursula Ney and Susan Clement Davies.

The Nominations Committee meets as necessary and its responsibilities include the review of the structure, size and composition of the Board, together with skills, knowledge, experience and diversity, succession planning, review of leadership needs and identification, evaluation and nomination of candidates to fill Board vacancies.

Dr John Chiplin was re-elected to the Board in November 2022 and indicated that he intended to retire once a new Chair was appointed. The Company appointed an Executive Search consultancy to identify suitable candidates. The remit to the Executive Search Consultancy included finding an individual who had a successful career in Pharma or Biotech with antibody and cancer vaccine experience in a listed company environment who had demonstrated strategic business acumen and strong commercial experience. The Consultancy identified Dr Jean-Michel Cosséry who was interviewed by the Board and accepted the position of Non-Executive Chairman.

Board Evaluation
The Board has not carried out an evaluation during the year as it was felt it would be a more effective exercise if it was carried out following the appointment of a new Chairman. Last year's evaluation had identified the need for a wider set of skills within the Board and this has partly been addressed by the appointment of Dr Jean-Michel Cosséry as the new Chairman. The Company has also made good progress in extending the breadth of experience within the management team with the recruitment of a Chief Financial Officer and Head of Business Development since the year end.

The Board is planning for an evaluation to take place at the beginning of 2024.

Audit Committee
The Audit Committee is responsible for the relationship with the Group's external auditor, the review of the Group's financial reporting and the Group's internal controls.

Susan Clement Davies is Chair of the Audit Committee and is joined by Dr Ursula Ney and Dr Dr Jean-Michel Cosséry.

The Committee will normally meet at least twice per year and has primary responsibility for monitoring the quality of internal controls ensuring that the financial performance of the Company is properly measured and reported on and reviewing reports from the Company's auditors relating to the Company's accounting and internal controls, in all cases

having due regard to the interests of Shareholders. The Audit Committee meets with the auditor at least once a year. The Audit Committee has undertaken an assessment of the auditor's independence, including:

- A review of non-audit services provided to the Group and related fees;
- Discussion with the auditor of a written report detailing all relationships with the Group and any other parties that could affect independence or the perception of independence;
- A review of the auditor's own procedures for ensuring the independence of the audit firm and partners and staff involved in the audit, including regular rotation of the audit partner; and
- Obtaining written confirmation from the auditor that, in their professional judgement, they are independent.

At the Company's Annual General Meeting in November 2022, BDO were re-appointed as Independent Auditors to the Company for the financial year ending 30 April 2023.

The Audit Committee is satisfied that the external auditor is independent in the discharge of their audit responsibilities.

Internal Control and Risk Management

The Directors are responsible for ensuring that the Group maintains a system of internal control to provide them with reasonable assurance regarding the reliability of financial information used within the business and for publication and that the assets are safeguarded, transactions are authorised and properly recorded and that material errors and irregularities are either prevented or would be detected on a timely basis.

There are inherent limitations in any system of internal control and accordingly even the most effective system can provide only reasonable, but not absolute, assurance with respect to the preparation of financial reporting and the safeguarding of assets.

The Group, in administering its business has put in place strict authorisation, approval and control levels within which senior management operates. These controls reflect the Group's organisational structure and business objectives. The control system includes clear lines of accountability and covers all areas of the organisation. The Board operates procedures which include an appropriate control environment through the definition of the organisation structure and authority levels and the identification of the major business risks.

The key element of the internal control systems in operation is the Board meeting regularly with a formal agenda to monitor all aspects of the business including monitoring the Group's financial performance against approved budgets and forecasts.

The major risks and uncertainties facing the Group together with actions to mitigate the risks are set out in the Strategic Report on pages 11 to 13 and are reviewed by the Board on a regular basis. Specific projects are monitored by project development teams and the Senior Management Team on a weekly basis.

There are no significant issues disclosed in the report and financial statements for the year ended 30 April 2023 and up to the date of approval of the report and financial statements that have required the Board to deal with any related material internal control issues, other than the prior period restatement in respect of convertible loan note accounting, as described in note 24 to the consolidated financial statements.

Investor Relations

The Group's Board maintains ongoing communication with existing and potential investors. This is achieved by:

- talking to institutional and private investors through direct meetings;
- individual shareholders talking to Board members at the Annual General Meeting;
- financial PR consultants;
- the release of information through the Group's website; and
- the Regulatory News Service of the London Stock Exchange.

Going concern

The Board of Directors determine the appropriate basis for preparing the consolidated financial statements and consider whether the Company and Group have sufficient financial resources to continue operating for at least a year from the date of approval of the financial statements.

Detailed cash flow projections are prepared and reviewed by the Board on a regular basis. The cash projections, and the working capital requirements of the Company and Group, include committed research and development expenditure which is contracted, principally focused on the currently ongoing SCOPE and ModiFY clinical trials, and uncommitted expenditure which is planned but not contracted.

The timings and extent of uncommitted expenditure surrounding development work on the ImmunoBody, Moditope, Monoclonal Antibody platforms and the clinical trials are flexible so that expenditure can be managed to match the Company and Group's cash resources. Certain contracted expenditure includes separate work projects, the timing of which may be delayed upon agreement with the supplier. In addition, at 30 April 2023 the Convertible Loan Notes ('CLNs') outstanding are convertible into shares at any time, or repayable to the note holders in two tranches in August 2025 (£1.75m) and November 2025 (£17.9m).

The Directors' cashflow projections, prepared to 31 December 2024 for the purposes of the going concern assessment, indicate planned committed activities are funded from existing resources.

Based on the Group's detailed cash flow projections for the period to 31 December 2024, and the extent of committed and uncommitted expenditure, the Board has a reasonable expectation that sufficient cash resources are available to enable the Company and the Group to continue in operation for at least twelve months from the date of approval of these financial statements and concluded that the financial statements should continue to be prepared using the going concern basis. The Company will require further funding to continue in house development of its assets towards commercialisation. Such funding could include, but is not limited to, issuing equity or debt. The Company also has the ability to seek partners or enter into license arrangements to also move its assets towards commercialisation.

Dr Jean-Michel Cosséry
Chairman
30 October 2023

Remuneration Committee
During the financial year ended 30 April 2023 the Remuneration Committee members were Dr Ursula Ney, Dr John Chiplin (resigned February 2023), Dr Jean-Michel Cosséry (from 1 February 2023) and Susan Clement Davies. The committee is chaired by Dr Ursula Ney.

The Committee meets at least once a year and more frequently if required. The Committee is responsible for setting the remuneration policy of the Executive Directors, including terms of employment, salaries, any performance bonuses and share option awards. The Executive Directors also consult the Committee in relation to the remuneration of senior employees and staff share option schemes. The remuneration of the Non-Executive Directors is determined by the Board as a whole.

Remuneration Policy
The key principles underlying all decisions by the Remuneration Committee include the following:

- The need to attract, retain and motivate outstanding executives who have the potential to support the growth of the Scancell and help the Company achieve its strategic objectives.
- The need to ensure that long term incentive plans ('LTIP') are aligned with the interests of shareholders.
- The need to consider the competitive landscape in the UK biotechnology industry and current best practice in setting appropriate levels of compensation.

The Committee met on two occasions during the financial year. Subjects under discussion included a review of whether remuneration paid met the Company's objectives to reward and incentivise the Executive team and a review of the fees for non-executive Directors.

Bonuses
The Company operates a bonus scheme for executive directors and all other staff for delivery of exceptional performance against pre-set relevant corporate objectives. Annual bonus entitlements are based on the achievement of pre-set Group corporate, financial and personal performance targets.

Directors' Remuneration
The table below summarises all Directors' salaries, fees for consulting and pension contributions.

	2023				**2022**				
	Salary and fees	Bonus*	Pension Contribs	Total	Salary and fees	Contractual Payment	Bonus	Pension Contribs	Total
	£	£	£	£	£	£	£	£	£
Dr J Chiplin	111,124	-	-	111,124	147,500	-	-	-	147,500
Dr R M Goodfellow	38,333	-	-	38,333	151,667	-	-	-	151,667
Dr C Holloway[1]	-	-	-	-	71,250	365,340		439	437,029
Professor L G Durrant	294,500	74,625		369,125	270,000	-	106,875	-	376,875
Dr S E Adams	213,900	33,085	6,521	253,506	207,000	-	46,575	2,070	255,645
Mr M H Diggle[2]	-	-	-	-	-	-	-	-	-
Dr U Ney	40,000	-	-	40,000	40,000	-	-	-	40,000
Ms S Clement Davies	55,000	-	-	55,000	43,750	-	-	-	43,750
Dr Jean-Michel Cosséry	25,000	-	-	25,000	-	-	-	-	-
	777,857	107,710	6,521	892,088	931,167	365,340	153,450	2,509	1,452,466

***Bonuses were paid after the financial year**

Directors' Remuneration (continued)

Notes:

1 Dr Cliff Holloway resigned on 28 July 2021
2 Mr. Martin Diggle receives no remuneration.
3 Dr John Chiplin resigned on 1 February 2023.
4 Dr Richard Goodfellow resigned in November 2022.
5 Dr Jean-Michel Cosséry was appointed 1 February 2023

Chief Executive Officer's remuneration

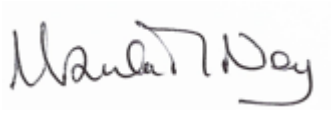
The total remuneration paid to the Chief Executive Officer, Professor Lindy Durrant, is a multiple of 5.3 times (2022: 6 times) the average remuneration of an employee of the Group.

Directors' share options

The Remuneration Committee believes that the issue of options is a useful tool in motivating executives and ensuring their interests are aligned with those of our shareholders. All options are subject to time vesting schedules to ensure retention.

At 30 April 2023, the following Directors held options over the shares of the Company.

	Grant Price	*At 30/04/2023*	*At 30/04/2022*	*Issue Date*	*Date of expiry*
Prof L G Durrant	4.5p	3,850,000	3,850,000	30/07/2020	30/07/2023
	10.5p	9,000,000	9,000,000	31/01/2018	31/01/2028
	8.15p	1,000,000	1,000,000	30/04/2020	30/04/2030
	21.25p	9,000,000	9,000,000	09/09/2021	09/09/2031
Dr S E Adams	10.5p	2,500,000	2,500,000	31/01/2018	30/01/2028
	8.15p	1,000,000	1,000,000	30/04/2020	30/04/2030
Dr J-M Cosséry	17.5p	3,000,000	-	20/04/2023	20/04/2033
S Clement Davies	17.5p	1,000,000	-	20/04/2023	20/04/2033



Dr Ursula Ney
Chair of the Remuneration Committee
30 October 2023

Scancell Holdings plc
AUDIT COMMITTEE REPORT
for the year ended 30 April 2023

The Audit Committee is responsible for the relationship with the Group's external auditor, the review of the Group's financial reporting and the Group's internal controls.

The Audit Committee members are Susan Clement Davies (Chair of the Audit Committee), Dr Ursula Ney and Dr Jean-Michel Cosséry.

The responsibilities of the Committee include the following:

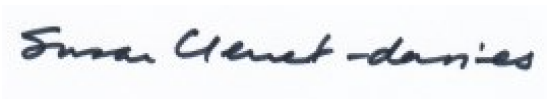
- Monitoring the integrity of the financial statements of the Group.
- Reviewing the accounting policies, accounting treatments and disclosures in the financial statements.
- Reviewing the Group's internal financial controls and risk management systems.
- Overseeing the Group's relationship with external auditors, including making recommendations to the Board as to the appointment or re-appointment of the external auditors, reviewing their terms of engagement, and monitoring the external auditors' independence, objectivity and effectiveness.

The Audit Committee met three times during the year with time allowed for discussion without any members of the executive team being present, to allow the external auditor to raise any issues of concern. Audit Committee meetings may be attended, by invitation, by other Directors and by the Group's auditors.

The Committee has responsibility for, amongst other things, planning and reviewing the Annual Report and Accounts and Interim Statements involving, where appropriate, the external auditors. The Committee also approves external auditors' fees and ensures the auditors' independence as well as focusing on compliance with legal requirements and accounting standards. It is also responsible for ensuring that an effective system of internal control is maintained. The ultimate responsibility for reviewing and approving the annual financial statements and interim statements remains with the Board.

During the year ended 30 April 2023, and to the date of this report, the Audit Committee reviewed and approved the financial statements for the year ended 30 April 2022 the interim results for the six months to 31 October 2022, the financial statements for the year ended 30 April 2023 and the external auditor's plan for and findings from the 2022 and 2023 external audits.

The Audit Committee has satisfied itself that the external auditor is independent. The Audit Committee has concluded that the external audit process was effective, that the scope of the audit was appropriate and that any significant judgements have been robustly challenged. The Audit Committee reviewed and approved the prior period adjustments made in respect of convertible loan note accounting.



Susan Clement Davies
Chair of Audit Committee
30 October 2023

Scancell Holdings plc
DIRECTORS' REPORT
for the year ended 30 April 2023

The Directors submit their report and financial statements of Scancell Holdings plc for the year ended 30 April 2023. Scancell Holdings plc is registered in England and Wales and is quoted on the AIM market.

RESULTS AND DIVIDENDS

The Group's results for the year ended 30 April 2023 are shown in the Consolidated Profit or Loss and other comprehensive income statement on page 33. No dividends will be distributed for the year.

FUTURE DEVELOPMENT AND RESEARCH AND DEVELOPMENT

A detailed review is included in the Chief Executives' report on page 3.

DIRECTORS AND THEIR INTERESTS

The members of the Board, who have served during the financial year are detailed below. Their interests in the shares of the Group at 30 April 2023 and 2022 are set out below.

	30 April 2023	30 April 2022
Dr S E Adams	69,623	69,623
Dr J-M Cosséry (appointed 1 February 2023)	-	-
Prof L G Durrant	1,796,432	1,796,432
Mr M H Diggle[1]	Nil	Nil
Dr U Ney	Nil	Nil
Ms S Clement Davies	Nil	Nil

[1]Martin Diggle is a partner in the Vulpes Life Science Fund which at 30 April 2023 held 117,729,029 (2022: 117,729,029) of the shares in the group.

In addition, the Directors have been granted share options in Scancell Holdings plc as outlined in the Directors' Remuneration report. Further details of all options outstanding, including those issued to employees, and fair value calculations can be found in note 19 to the Accounts.

SUBSTANTIAL SHAREHOLDINGS

The Directors have been notified, or are aware of, the following interests in 3% or more of the ordinary share capital of the Company (excluding Directors) at 26 October 2023:

	Ordinary shares at 0.1p each	
	Number	Percentage
Redmile Group LLC	240,374,384	29.33%
Vulpes Life Science Fund	117,729,029	14.36%
Calculus Capital	34,039,009	4.15%

STRUCTURE OF THE COMPANY'S CAPITAL

The Company's share capital is traded on the AIM market and comprises a single class of ordinary shares of 0.1 pence, each carrying one voting right and all ranking equally with each other.

The total issued share capital at 30 April 2023 was 818,903,461 ordinary shares of 0.1 pence each.

Details of employee share option schemes are set out in Note 19 to the financial statements. Participants in employee share schemes have no voting or other rights in respect of the shares subject to their awards until the options are exercised, at which time the shares rank *pari passu* in all respects with shares already in issue.

DIRECTORS' INDEMNITY

The Directors and officers of the Company are insured against any claims arising against them for any wrongful act in their capacity as a Director, officer or employee of the Company, subject to the terms and conditions of the policy.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with UK adopted international accounting standards and as applied with the provisions of the Companies Act 2006. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the auditors are unaware. Each of the Directors have confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITORS

The auditors, BDO LLP, will be proposed for re-appointment as independent auditors at the forthcoming Annual General Meeting of the Company.

By approval of the Board on 30 October 2023

Professor Lindy Durrant
Chief Executive Officer

Opinion on the financial statements
In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 April 2023 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Scancell Holdings Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 April 2023 which comprise the consolidated profit or loss and other comprehensive income statement, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated cash flow statement, the notes to the consolidated financial statements, the company statement of financial position, the company statement of changes in equity, the company cashflow statement and the notes to the company financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the Directors' method for assessing going concern, including the relevance and reliability of underlying data used to make the assessment, and whether assumptions and changes to assumptions from prior years are appropriate and where relevant consistent with each other. The assumptions were assessed against the Group's development plans and committed expenditure;
- Obtaining the list of the planned expenditures on existing identified projects and, for a sample of costs, agreed the amounts and timing to billing details and milestones as per suppliers' contracts or quotes;
- Reviewing the Directors' stress testing of the forecasts to the extent of reasonable worst-case scenarios, solely in relation to estimates of planned operational costs being increased by various percentages, to shorten the existing cash runway to less than one year from the date of approval of the financial statements;

- Enquiring of the Directors regarding planned fundraising and out-licensing activities to date, including review of any related written correspondence; and
- Reviewing the adequacy and appropriateness of disclosures in the financial statements regarding the going concern assessment.

We carried out the above procedures through using our understanding of the business model, objectives, strategies and related business risk, the measurement and review of the Group's financial performance, forecasting and budgeting processes and the Group's risk assessment process.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

<table>
<tr><td>Coverage</td><td>100% (2022: 100%) of Group loss before tax
100% (2022: N/A) of Group revenue
100% (2022: 100%) of Group total assets</td></tr>
<tr><td>Key audit matters</td><td><table><tr><td></td><td>2023</td><td>2022</td></tr><tr><td>Research and development: agreement accounting</td><td>✔</td><td>✔</td></tr></table></td></tr>
<tr><td>Materiality</td><td>Group financial statements as a whole

2023: £720,000 based on 5.2% of 2 years average loss before tax adjusted to exclude finance expense/income on derivative liability revaluation and loss on substantial modification of convertible loan notes.

2022: £500,000 based on 5% of 2 years average loss before tax</td></tr>
</table>

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group comprise Scancell Holdings Plc and Scancell Limited (both based in the UK) and full scope audits were undertaken by the Group engagement team for both of these significant components.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matter		**How the scope of our audit addressed the key audit matter**
Research and development: agreement accounting Relevant accounting policies • Revenue; • Research and development • expenditure; • Creditors; • Financial instruments: Financial assets and Financial Liabilities; and • Key sources of estimation uncertainty: Agreement accounting Relevant notes • Note 3 – Revenue • Note 13 – Trade and other receivables: Prepayments; and • Note 14 – Trade and other payables: Accruals • Note 23 - Financial Commitments	Collaboration, licensing and other partnering agreements can have accounting complexity in terms of the nature of services, licenses or other arrangements provided, and the related consideration paid. The Group generated revenue for the first time in the year which relates to the upfront payment of £5.3m received from Genmab following the signing of the licence agreement in October 2022, and has entered into numerous agreements in the current and prior years which give rise to various financial obligations. These obligations could impact any area of the financial statements however they have been determined most likely to give rise to potential unaccrued liabilities. A significant portion of research and development expenditure arises through the subsidiary company outsourcing research to third parties. At the year-end management are required to calculate the associated accruals and prepayments based on the progress of the research contracts versus the amounts billed to date.	• We reviewed the key terms of all material ongoing third-party research agreements, including the review of any contracted costs within the agreements. • We tested a sample of all relevant expenses recorded during the year and agreed these to related invoices and their content to determine the correct accounting treatment and concluded if the expenditure was appropriately classified within the financial statements. Where relevant, we have obtained third party confirmation of stages of completion of a project and compared the progress against both the contract and the value of expenditure billed to date. We also confirmed that none of the expenditure met the definition under IAS38 for capitalisation. • We reviewed the treatment of the revenue recognised in the year by agreeing the amount and the terms that relate to the upfront payment that was recognised as revenue to the contract agreement with Genmab, the invoices and the evidence of payment. We ascertained that the receipt is non-refundable and that it relates to one performance obligation which is at a point in time, thereby obtaining assurance that the treatment is in line with IFRS15 and the agreement with Genmab. • We then agreed the year end cost position against the billing schedule as

	Due to the nature of clinical trials, drug manufacturing processes and general research it is often difficult to estimate the length of time a particular trial or research process is going to take. As a result it can be difficult for the Group to measure what costs have been incurred in relation to outsourced research at a particular point in time and as such, based on billings received, whether project accruals and prepayments recorded are reasonably estimated. Our audit risk is focused on : • whether the relevant expenditure has been appropriately included in the income statement; • whether prepayments and accruals are appropriately calculated and recognised; and • that the revenue in the year was properly accounted for. As such, agreement accounting as a whole is considered a key audit matter as it impacts multiple disclosures and balances within the financial statements.	per the agreement to determine if a prepayment or accrual needed to be recognised. We also reviewed all agreements signed during the year for any clauses or terms which may indicate that a collaboration, licensing or other partnering agreement involved potential revenue to the Group, if a drug or vaccine meets certain development milestones, is approved and/or marketed. • In our review, we considered the wider implications on the financial statements, including the potential requirement to disclose future contracted commitments or the possibility that a contract may contain a lease. We sample tested the financial commitments note disclosure. • For a selected sample of project costs relating to research and development expenditure we obtained the underlying contracts and checked the basis on which management had recognised costs and recalculated those costs when required. We obtained management's calculation of the accrual or prepayment and checked the mathematical formulae. • We tested a sample of invoices received both during the year and after the year end to assess whether they should have been expensed, recognised as a prepayment, recognised as an accrual or if the invoice was correct not to be recognised in the financial year. The invoice details were reviewed and where relevant were traced to invoicing schedules per the contracts. • We tested for unrecorded liabilities by agreeing contract to a sample of invoices received during the year and after the year end, that those costs recorded related to genuine contractual arrangements, and had been recorded accurately.

		Key observations Based on our work, we noted no significant issues regarding the judgements, estimates and assumptions made by management in accounting for the group's research and development contractual arrangements and related disclosures.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		**Parent company financial statements**	
	2023 £	2022 £	2023 £	2022 £
Materiality	720,000	500,000	576,000	400,000
Basis for determining materiality	Our Group materiality was based on 5.2% of the two years average loss before tax, adjusted to exclude finance expense/income relating to derivative liability revaluation and loss on substantial modification of	Our Group materiality was based upon 5% of the 2 years average loss before tax for the year (prior to restatement). We used an average because of the fluctuation of losses due to revaluation of convertible loan notes. Management issued convertible loan notes in the 2021 financial year,	We calculated Scancell Holding PLC materiality at 80% (2022: 80%) of Group materiality.	

	convertible loan notes.	so we considered a 2 years average is appropriate.		
Rationale for the benchmark applied	Loss before tax is considered to be one of the principal considerations for the users of the financial statements in assessing the financial performance of the Group, in particular with reference to the level of research and development expenditure on the Group's clinical development programs.		A percentage of group materiality was selected in order to reduce component aggregation risk to an acceptable level for the two significant components.	
Performance materiality	500,000	350,000	403,000	280,000
Basis for determining performance materiality	Performance materiality was set at 70% (2022: 70%) of the above materiality levels. In setting the level of performance materiality we considered a number of factors including the expected total value of known and likely misstatements based on past experience and other factors.			
Rationale for the percentage applied for performance materiality	70% was applied for the determination of performance materiality to reduce the risk that the financial statements as a whole are materially misstated.			

C*omponent materiality*
For the purposes of our Group audit opinion, we set materiality for the significant component of the Group, apart from the Parent Company whose materiality is set out above, based on a percentage of 80% (2022: 80%) of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality was £504,000 (2022: £350,000). In the audit of the component, we further applied performance materiality levels of 70% (2022: 70%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold
We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £36,000 (2022: £20,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information
The Directors are responsible for the other information. The other information comprises the information included in the report and consolidated financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting
Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent Company financial statements are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of Directors
As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance including the Audit Committee;
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations; and
- We corroborated our enquiries through our review of board minutes and papers provided to the Audit Committee

We considered the significant laws and regulations to be the applicable accounting framework, UK tax legislation, AIM Listing Rules and the Companies Act 2006.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, clinical trial legislation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of internal tax specialists in the audit;
- Review of legal expenditure accounts to understand the nature of expenditure incurred; and
- Assessment of key judgements and estimates, for example, in respect of the fair value of the derivative liability related to convertible loan notes which are subject to management's judgement and estimation, and could be subject to potential bias.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance including the Audit Committee, regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
    - Detecting and responding to the risks of fraud; and
    - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be revenue recognition.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including the revaluation of the derivative liability; and
- Validating that the revenue was recognised in accordance with the requirements of the applicable standards and the terms of the contract with Genmab.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. In addition, the engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognize non-compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Ian Oliver
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Ian Oliver (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Reading, UK
30 October 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Scancell Holdings plc

CONSOLIDATED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME STATEMENT
for the year ended 30 April 2023

	Notes	2023 £'000	2022 £'000 Restated[1]
Revenue	3	5,271	-
Cost of sales		(525)	-
Gross Profit		4,746	-
Development expenses		(11,645)	(9,477)
Administrative expenses		(5,021)	(4,787)
Grant income		-	965
OPERATING LOSS	4	(11,920)	(13,299)
Interest receivable and similar income	6	284	4
Interest payable	5	(1,215)	(1,777)
Loss on substantial modification of convertible loan notes	17	-	(7,244)
Finance (expense) / income relating to derivative liability revaluation	16	(1,453)	16,044
LOSS BEFORE TAXATION		(14,304)	(6,272)
Taxation	7	2,368	1,703
LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE LOSS		(11,936)	(4,569)
LOSS PER ORDINARY SHARE (pence)			
Continuing			
Basic	8	(1.50)p	(0.56)p
Diluted	8	(1.50)p	(0.56)p

[1] Please refer to note 24 for further details on the prior period restatement

Scancell Holdings plc (Company Number: 06564638)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 April 2023

	Notes	2023 £'000	2022 £'000 Restated[1]	2021 £'000 Restated[1]
ASSETS				
Non-current assets				
Tangible fixed assets	10	1,246	1,579	692
Right-of-use assets	11	1,003	1,165	283
Goodwill	12	3,415	3,415	3,415
		5,664	6,159	4,390
Current assets				
Trade and other receivables	13	538	647	968
Taxation receivable	7	4,148	2,990	2,590
Cash and cash equivalents		19,920	28,725	41,110
		24,606	32,362	44,668
TOTAL ASSETS		30,270	38,521	49,058
LIABILITIES				
Non-current liabilities				
Convertible loan notes	15	(18,481)	(17,857)	(15,119)
Derivative liability	16	(14,000)	(12,547)	(22,893)
Leases Liabilities	11	(746)	(856)	(63)
		(33,227)	(31,260)	(38,075)
Current Liabilities				
Trade and other payables	14	(2,970)	(2,137)	(2,087)
Lease Liabilities	11	(306)	(315)	(208)
		(3,276)	(2,452)	(2,295)
TOTAL LIABILITIES		(36,503)	(33,712)	(40,370)
NET (LIABILITIES) / ASSETS		(6,233)	4,809	8,688
SHAREHOLDERS' EQUITY				
Called up share capital	18	819	815	815
Share premium		65,181	65,019	65,019
Share option reserve		2,123	1,395	705
Retained losses		(74,356)	(62,420)	(57,851)
TOTAL SHAREHOLDERS' (DEFICIT) / EQUITY		(6,233)	4,809	8,688

The notes on pages 37 to 73 form part of these financial statements. These financial statements were approved by the Directors and authorised for issue on 30 October 2023 and are signed on their behalf by:

Professor Lindy Durrant
Director

[1] Please refer to note 24 for further details on the prior period restatement

Scancell Holdings plc

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 April 2023

	Share Capital £'000	Share Premium £'000	Share Option £'000	Retained losses £'000	Total £'000
Balance 1st May 2021	815	65,019	705	(47,054)	19,485
Prior Period Restatement	-	-	-	(10,797)	(10,797)
Balance 1st May 2021 (Restated[1])	815	65,019	705	(57,851)	8,688
Share option credit	-	-	690	-	690
Loss for the year and total comprehensive loss -restated[1]	-	-	-	(4,569)	(4,569)
Balance 30 April 2022 (Restated[1])	815	65,019	1,395	(62,420)	4,809
Share issue	4	162	-	-	166
Loss for the year and total comprehensive loss	-	-	-	(11,936)	(11,936)
Share option credit	-	-	728	-	728
Balance 30 April 2023	819	65,181	2,123	(74,356)	(6,233)

[1] Please refer to note 24 for further details on the prior period restatement

Scancell Holdings plc

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 30 April 2023

	Note	2023 £'000	2022 £'000 Restated[1]
Cash flows from operating activities			
Loss before tax		(14,304)	(6,272)
Adjustments for:			
Finance income	6	(284)	(4)
Lease interest paid	5	54	48
Convertible loan interest payable	5	1,161	1,729
Finance expense/(income) for derivative liability revaluation	16	1,453	(16,044)
Loss on substantial modification of convertible loan notes	17	-	7,244
Depreciation	10	536	381
Amortisation of right-of-use asset	11	366	359
Share-based payment charge		728	690
Cash used in operations before changes in working capital		**(10,290)**	**(11,869)**
Decrease in other receivables		111	321
Increase in accounts and other payables		829	51
Cash used in operations		**(9,350)**	**(11,497)**
Tax credits received		1,210	1,304
Net cash used in operating activities		**(8,140)**	**(10,193)**
Investing activities			
Purchase of tangible fixed assets	10	(203)	(1,268)
Finance income		284	4
Net cash generated from / (used in) investing activities		**81**	**(1,264)**
Financing activities			
Proceeds from issue of share capital		166	-
Convertible loan interest paid		(537)	(537)
Lease payments		(375)	(391)
Net cash (used in) financing activities		**(746)**	**(928)**
Net decrease in cash and cash equivalents		**(8,805)**	**(12,385)**
Cash and cash equivalents at beginning of the year		**28,725**	**41,110**
Cash and cash equivalents at end of the year		**19,920**	**28,725**

[1] Please refer to note 24 for further details on the prior period restatement

1. ACCOUNTING POLICIES

Statutory Information

Scancell Holdings plc is a public company, limited by shares, registered and domiciled and incorporated in England and Wales. The address of its registered trading office is Bellhouse Building, Sanders Road, Oxford OX4 4GD.

These financial statements were approved by the Board of Directors on 30 October 2023.

Going concern assessment

The Board of Directors determine the appropriate basis for preparing the consolidated financial statements and consider whether the Company and Group have sufficient financial resources to continue operating for at least a year from the date of approval of the financial statements.

Detailed cash flow projections are prepared and reviewed by the Board on a regular basis. The cash projections, and the working capital requirements of the Company and Group, include committed research and development expenditure which is contracted, principally focused on the currently ongoing SCOPE and ModiFY clinical trials, and uncommitted expenditure which is planned but not contracted.

The timings and extent of uncommitted expenditure surrounding development work on the ImmunoBody, Moditope, Monoclonal Antibody platforms and the clinical trials are flexible so that expenditure can be managed to match the Company and Group's cash resources. Certain contracted expenditure includes separate work projects, the timing of which may be delayed upon agreement with the supplier. In addition, at 30 April 2023 the Convertible Loan Notes ('CLNs') outstanding are convertible into shares at any time, or repayable to the note holders in two tranches in August 2025 (£1.75m) and November 2025 (£17.9m).

The Directors' cashflow projections, prepared to 31 December 2024 for the purposes of the going concern assessment, indicate planned committed activities are funded from existing resources.

Based on the Group's detailed cash flow projections for the period to 31 December 2024, and the extent of committed and uncommitted expenditure, the Board has a reasonable expectation that sufficient cash resources are available to enable the Company and the Group to continue in operation for at least twelve months from the date of approval of these financial statements and concluded that the financial statements should continue to be prepared using the going concern basis. The Company will require further funding to continue in house development of its assets towards commercialisation. Such funding could include, but is not limited to, issuing equity or debt. The Company also has the ability to seek partners or enter into license arrangements to also move its assets towards commercialisation.

Basis of preparation
These financial statements have been prepared in accordance with UK adopted international accounting standards in conformity with requirements of the Companies Act 2006 applicable to companies reporting under IFRS. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policies below.

The accounting policies adopted are consistent with those of the previous financial year.
As permitted by Section 408(3) of the Companies Act 2006, the Income Statement of the parent Company is not presented with these Financial Statements. The loss and other comprehensive loss of the parent Company is shown in the statement of changes in equity.

1. ACCOUNTING POLICIES (continued)

New standards and interpretation
At the date of authorisation of these Consolidated Financials, the following new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Group.

Standard	***Detail***	***Effective Date***
IAS 1	Amendment – regarding the classification of liabilities	1 January 2024
IAS1 and IFRS Practice Statement 2	Amendment – disclosure of accounting policies	1 January 2023
IAS 12	Amendment – Deferred Tax related to Assets and Liabilities arising from a single transaction	1 January 2023

The Directors anticipate that all the pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. The adoption of the new and amended standards are not expected to have a material impact on the Group's consolidated financial statements, except for the IAS1 amendment regarding the classification of liabilities. The amendment will impact upon the classification of the convertible loan notes from non-current to current as the conversion option can be exercised at any time.

BUSINESS COMBINATIONS
The financial statements consolidate the results the financial statements of the Company and its subsidiary, Scancell Limited. Unrealised gains on transactions between the Company and its subsidiary are eliminated.

Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group since date of transition. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Any costs related to the acquisition are expensed in the period in which they are incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of the acquisition over the fair value of assets and liabilities is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired the difference is recognised directly in the consolidated profit or loss and other comprehensive income statement.

Subsidiary:
Scancell Limited is controlled by Scancell Holdings plc. An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of the subsidiary are included in the consolidated financial statements.

Acquisitions:
On acquisition, which was determined as a business combination the assets and liabilities of a subsidiary, including identifiable intangible assets, are measured at their fair value at the date of acquisition. Any excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill. Goodwill is reviewed for impairment annually and any impairment is recognised immediately in the consolidated profit or loss and other comprehensive income statement. Impairment is determined by comparing the recoverable amount of goodwill with its carrying value. For goodwill, the carrying value is

1. ACCOUNTING POLICIES (continued)

Acquisitions (continued):
compared to the market capitalisation of Scancell Holdings plc, as quoted on AIM at the year end. The recoverable amount is the greater of an asset's value in use or its fair value less costs to sell. Where the recoverable amount is less than the carrying value, the asset is considered impaired and is written down through the consolidated profit or loss and other comprehensive income statement to its recoverable amount.

The results and cash flows relating to the business are included in the consolidated accounts from the date of combination.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS
At each balance sheet date, the Group reviews the carrying amounts of Goodwill. For all tangible assets, and the investment in subsidiary, the group on an annual basis determines whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). An impairment loss is immediately recognised as an expense, in the consolidated profit or loss and other comprehensive income
statement. The recoverable amount is the greater of an asset's value in use or its fair value less costs to sell. Where the recoverable amount is less than the carrying value, the asset is considered impaired and is written down through the consolidated profit or loss and other comprehensive income statement to its recoverable amount less costs to sell.

COLLABORATION REVENUE
Collaboration Revenue includes income from collaborative arrangements where either the Company has sold certain rights associated with those products but retains a significant ongoing economic interest or has acquired a significant interest from a third party.

These arrangements may include development arrangements, commercialisation arrangements and collaborations. Income may take the form of upfront fees, milestones, profit sharing and royalties and includes sharing of profit arising from sales made as principal by a collaboration partner.

In general, where the triggering of a milestone is subject to the decisions of third parties (e.g. the acceptance or approval of a filing by a regulatory authority), the Company does not consider that the threshold for recognition is met until that decision is made or the milestone is achieved.

Where Collaboration Revenue arises from the out-licensing of the Company's own intellectual property, the licences the Group grants are typically rights to use intellectual property which do not change during the period of the licence and therefore, related non-conditional revenue is recognised at the point the license is granted and future variable consideration as soon as recognition criteria are met. Those licences are generally unique and therefore, when there are other performance obligations in the contract, the basis of allocation of the consideration makes use of the residual approach as permitted by IFRS 15.

These arrangements involve the receipt of an upfront payment, which the contract attributes to the license of the intangible assets. Where the transaction has two or more components, the Group accounts for the delivered item (for example, the transfer of title to the intangible asset) as a separate unit of accounting and record revenue on delivery of that component, provided that the Group can make a reasonable estimate of the fair value of the undelivered component.

Where non-contingent amounts are receivable by the Group over one year from the effective date of a contract, an assessment is made as to whether a significant financing component exists, and if so, the fair value of this component is deferred and recognised over the period to the expected date of receipt.

1. ACCOUNTING POLICIES (continued)

COLLABORATION REVENUE (continued)
Where control of a right to use an intangible asset passes at the outset of an arrangement, revenue is recognised at the point in time control is transferred. Where the substance of an arrangement is that of a right to access rights attributable to an intangible asset, revenue is recognised over time, normally on a straight-line basis over the life of the contract.

EXPENDITURE
All expenditure is accounted for on an accruals basis and is classified under headings that aggregate all costs related to the category of expenditure.

TANGIBLE FIXED ASSETS
Tangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses.
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Plant and machinery	- 25% on straight line
Furniture & fittings	- 25% on straight line
Computer Equipment	- 33% on reducing balance

Amortisation is provided on the right-of-use asset over the period of the lease to which it relates.

TAXATION
Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all temporary differences identified at the balance sheet date, except to the extent that the deferred tax arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit. Temporary differences are differences between the carrying amount of the Group's assets and liabilities and their tax base.

Deferred tax liabilities may be offset against deferred tax assets within the same taxable entity. Any remaining deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxation profits, within the same jurisdiction, in the foreseeable future against which the deductible temporary differences can be utilised.

INVESTMENTS
Investments in subsidiaries are stated at cost less any provisions for impairment. An impairment is recognised when the recoverable amount of the investment is less than the carrying amount.

Investments are presented in Scancell Holdings plc company figures, not in the consolidated financial statements.

1. ACCOUNTING POLICIES (continued)

RESEARCH AND DEVELOPMENT
Expenditure on research and development activities is expensed in the year in which it is incurred.

An internally generated asset arising from the Group's development activities is only recognised if all of the following criteria are met:
- technical feasibility of completing the intangible asset so that it will be available for sale
- intention to complete the intangible asset and use or sell it
- ability to use or sell the intangible asset
- the intangible asset will generate future economic benefit
- resources are available both technically and financially to complete the development.

In the case of development projects undertaken by the Group, regulatory and other uncertainties generally mean that such criteria are not met. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

GRANT INCOME
Government Grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

IFRS16
The Group adopted IFRS 16 Leases with effect from 1 May 2019 and the accounting policy is detailed in note 10. This has resulted in the Group's leases with the University of Nottingham, Regus and The Oxford Science Park, being brought onto the statement of financial position, as both a right-of-use asset and a lease liability. The right-of-use asset and lease liability are both based on the present value of lease payments due over the term of the lease, with the asset being amortised evenly over the period of the lease and the liability increased for the accretion of interest and reduced by lease payments.

FOREIGN CURRENCIES
Foreign currency assets and liabilities are converted to sterling at the rates of exchange ruling at the end of the financial year. Transactions in foreign currencies are converted to sterling at the rates of exchange ruling
at the transaction date. All of the resulting exchange differences are recognised in the profit and loss account as they arise.

CASH AND CASH EQUIVALENTS
Cash includes cash-in-hand and deposits held at call with banks.

CREDITORS
Creditors are recognised when the Company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount to be settled can be reliably measured or estimated.

INTER-COMPANY LOAN
The inter-company loan from Scancell Holdings plc to its subsidiary, Scancell Limited, is recorded at cost, is interest free and has no repayment terms.

Annually the intercompany loan is assessed for impairment in line with IFRS 9. The expected credit loss model is used to determine the present value of the intercompany receivable. The 12-month model has been used to determine the expected credit loss.
This loan is eliminated in preparing the consolidated financial statements.

1. ACCOUNTING POLICIES (continued)

EQUITY

Equity comprises the following:

- Share capital represents the nominal value of equity shares.
- Share premium represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- Retained earnings include all current and prior period results as disclosed in the consolidated profit or loss and other comprehensive income statement.
- Share-based payment reserve is the corresponding entry to the expense arising from equity-settled share-based payments.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

The Group has no revenues and its financial assets, measured at amortised cost comprise other receivables, other financial assets and cash and cash equivalents in the consolidated statement of financial position. Other financial assets comprise short-term deposits not meeting the IAS7 definition of cash equivalent. Cash and cash equivalents include cash in hand, deposits held at call with banks.

Financial liabilities

Financial liabilities include trade and other payables and convertible loan notes.

Trade and other payables, and the convertible debt host contract liability are measured initially at fair value and subsequently carried at amortised cost using the effective interest rate method.

Fair value through profit or loss

This category comprises solely the conversion element of the convertible loan notes. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income. The Group does not hold or issue derivative instruments for speculative purposes, the Group does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

Convertible loan notes

Convertible loan notes issued by the Group allow the holder the right to exchange all outstanding loan notes, and all accrued interest thereon for a class of equity in the Parent Company. The conversion right arises at the conversion price on the conversion date at any time between inception and maturity, at the noteholder's election; or at the election of the noteholder, pursuant to notice required to be provided by the Group, of certain future events relevant to the noteholder.

During the financial year ended 30 April 2022, the maturity dates of the convertible loan notes were extended by three years so that the tranches of loan notes mature in August 2025 and November 2025, respectively. The change in net present value of the expected cashflows, arising from this three-year extension, meant that, under IFRS9, this is viewed as a substantial modification with the original notes being treated as redeemed and a loss on substantial modification arose, recognised through profit and loss.

1. ACCOUNTING POLICIES (continued)

Convertible loan notes (continued)
The Group assesses whether the transaction price relates to both the underlying financial instrument and the conversion feature issued representing the same economic arrangement, and therefore fair value of the whole arrangement. The Group subsequently assesses whether the underlying financial instrument (loan notes) and the conversion feature should be classified as a liability or equity instrument. As part of this assessment, the Group considers whether the conversion feature is closely related to the host contract, requiring a separate assessment of the host contract and the conversion feature. It was determined that the conversion feature was not closely related to the host contract, meeting the criteria for recognition as a separate embedded derivative.

Loan note: It was determined that the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle the contractual obligation, meeting the criteria to be recognised as a financial liability.

Conversion feature: It was determined that there are settlement outcomes (in particular noteholder protection from future share issuances above a minimum fixed discount to market price, recognised by reducing the share conversion ratio) where the Group is not required to settle the loan notes with a fixed number of its own equity instruments, meeting the criteria to be recognised as a financial liability.

The fair value of the conversion feature was determined, and the residual value of the overall transaction price is assigned to the debt host contract liability and subsequently measured at amortised cost. The embedded derivative liability is subsequently measured at fair value at each reporting date and changes are recorded in finance income/(expense) relating to derivative liability revaluation. Transaction costs are apportioned to the debt liability and the embedded derivative. The amounts attributed to the conversion feature are expensed, and the portion of transaction costs that are attributed to the loan are added to the carrying amount of the financial liability and amortised using an effective interest rate through interest expense.

Fair value through profit or loss (continued)
Upon the conversion of the loan notes or part of them to shares at a conversion date, the loan notes are first redeemed at their principal value for cash, which the noteholder immediately remits to purchase the shares issued on conversion. The carrying amounts of the related liabilities are updated to the conversion date (at amortised cost for the convertible loan notes balance, and revalued at that date for the derivative liability balance, with gain or loss through profit and loss), are de-recognised from the convertible loan notes balance and the derivative liability balance, and transferred to equity with no gain or loss. Within equity, the principal value of the convertible loan notes converted is recorded in share capital and share premium, while the remainder of the carry values is recorded directly in retained losses."

1. ACCOUNTING POLICIES (continued)

SHARE BASED PAYMENTS
In accordance with IFRS2 – 'Share based payments', a charge is made for all share –based payments including share options based upon the fair value of the instrument issued.
Under IFRS 2 the charge in the Profit or Loss and Other Comprehensive Income Statement for granted share options is based upon the fair value of the options at grant date and is charged over the expected vesting period. Estimates of leaver rates are taken into account over the vesting period. A charge has been recognised for all awards granted and is charged to the same expense category as the remuneration costs for the employee to whom the share award has been made. An equivalent amount is credited to the share option reserve in the balance sheet, with no resulting impact on net assets. The share options have been granted to Directors and employees in the subsidiary Company, Scancell Limited. Within Scancell Holdings plc, the parent Company, a credit has been made to the share option reserve whilst the debit is treated as an increase in the investment value of the subsidiary Company.

EMPLOYEE BENEFITS
The costs of short-term employee benefits are recognised as an expense when the services have been rendered by the employee, any costs not paid to the employee after year end are recognised as a liability. The cost of any unused holiday entitlement is accrued at the balance sheet date, if the employee has unused holiday entitlement.

RETIREMENT BENEFITS
For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Key sources of estimation and uncertainty
The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. The notes to the financial statements set out areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements such as intangible assets. Although these estimates are based upon management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates. In the process of applying the Group's accounting policies, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements:

Derivative financial liabilities
Instruments determined to be a derivative financial liability are recognised at fair value, based on the transaction price, and subsequently re-measured at each reporting date at fair value through profit and loss.
The fair value of the conversion element of convertible loan notes are calculated using a Black Scholes pricing model, which includes a number of inputs subject to estimation, the most sensitive of which are the expected volatility (98%).

Investment in subsidiary
Judgement is required by the Directors to assess the carrying value of the Company's loan to their subsidiary.

Scancell Holdings plc holds an intercompany receivable of £0.32 million with Scancell Limited as at 30 April 2023 (2022: £26.14m). The key estimates and assumptions assessed in 2022 were deemed by management to have an immaterial impact on the recoverability of the asset.

1. ACCOUNTING POLICIES (continued)

Share-based payments
In calculating the fair value of equity-settled share-based payments using the Black-Scholes option pricing model, the Directors are required to exercise their judgement in determining input parameters which may have a material effect on the fair value calculated. Judgement is also required in determining the fair value of share options with a hurdle price embedded into them.

Note 17 outlines the key judgements used in determining the fair value of the options granted in the year.

These judgements may have a material effect on the fair value calculated.

Agreement accounting
The group have entered into many different supplier contracts regarding research and development. These agreements often contain up-front payments and milestone payments. The agreements span a wide period and therefore management and the board must continuously monitor the ongoing status of research and development projects performed by suppliers to ensure that the correct costs are reflected accurately in the financial statements. Often the stage of progress of a project is difficult to determine and therefore relies upon key judgement.

The majority of research and development expenditure is formed as a result of entering into a contract. The areas of the financial statements impacted by the supplier agreements include prepayments, accruals, commitments disclosures, research and development expenditure and the research and development tax claim. The out license arrangement with Genmab affects revenue, accounts receivable and related disclosures.

2. SEGMENT REPORTING
The Directors consider that the Group operated within a single business segment.

3. REVENUE
During the year, Scancell Limited signed a licence agreement with Genmab (NASDAQ: GMAB), an international biotechnology company, to develop and commercialise a Scancell investigational anti-glycan monoclonal antibody into novel therapeutic products.

Genmab has been granted the exclusive right to develop and commercialise the Scancell antibody in multiple novel potential therapeutic products for any and all potential disease areas, excluding cell therapy applications. This is considered a right to use the asset and the Group has no ongoing consequential obligations in respect of the arrangement. Scancell has received from Genmab an upfront payment of £5.3 million, recognised in revenue in full upon receipt, and will also receive potential milestone payments of up to £165 million for each product developed and commercialised, up to a maximum of £495 million if Genmab develops and commercialises products across all defined modalities. Scancell will also receive single digit royalties from Genmab on net sales of all commercialised products. No potential milestone payments or royalties have been recognised to 30 April 2023, due to the uncertainty of such milestones or commercial sales in future.

4. OPERATING LOSS

	2023 £'000	2022 £'000
Operating Loss is stated after charging/(crediting):		
Grant income	-	(965)
Depreciation on tangible fixed assets	536	381
Amortisation of right-of-use asset	366	360
Research and development	11,645	9,477
Foreign exchange losses / (gains)	358	(2)
Auditors' remuneration – fee payable for audit of the company	42	32
Auditors' remuneration – fee payable for audit of the subsidiary company	41	32
Auditors' remuneration – non audit fees	-	8

5. INTEREST PAYABLE

	2023 £'000	2022 £'000 Restated
Lease interest	54	48
Convertible loan note interest	1,161	1,729
	1,215	1,777

6. INTEREST RECEIVABLE

	2023 £'000	2022 £'000
Bank interest receivable	284	4

7. TAXATION

Analysis of the tax credit

The tax credit on the loss on ordinary activities for the year was as follows:

	2023	2022
Current tax	£'000	£'000
UK corporation tax credits due on R&D expenditure	2,399	1,754
Adjustment to prior years	(31)	(51)
	2,368	1,703

7 TAXATION (continued)

Factors affecting the tax credit

The tax assessed for the years is lower than the applicable rate of corporation tax in the UK. The difference is explained below:

	2023 £'000	2022 £'000 Restated
Loss on ordinary activities before tax	(14,304)	(6,272)
Loss on ordinary activities multiplied by the small company rate of tax in the UK (19.49 %) (2022: 19%)	(2,788)	(1,192)
Effects of:		
Disallowed (income)/expenditure on convertible loan	510	(1,345)
Other disallowed expenditure	172	131
Other timing differences	49	23
Enhanced tax relief on R&D expenditure	(929)	(771)
Prior year (under)/ over provision	31	51
Unrelieved losses carried forward	587	1,400
Current tax (credit)	(2,368)	(1,703)

The Group has tax losses to carry forward against future profits of approximately £38.53 million (2022: £35.22 million).

A deferred tax asset has not been recognised in respect of these losses as the Group does not anticipate sufficient taxable profits to arise in the foreseeable future to fully utilise them.

The estimated value of the deferred tax asset not recognised measured at the prevailing rate of tax when the timing differences are expected to reverse is £9.8 million (2022: £8.8million). This is based on the substantively enacted rates at the balance sheet date. The current UK corporation rate is 25%, effective from1 April 2023, as set out in the Finance Bill 2021 which was substantively enacted on 24 May 2021.

In addition to the deferred tax asset on losses, the Group has a potential future tax deduction on share options of £1,961,000 (2022: £1,397,000) and a deferred tax asset of £490,000 (2022: £349,000) thereon. The additional tax deduction will crystallise at the point the options are exercised. As the utilisation of this additional deduction against taxable profits in the Group is uncertain, no deferred tax asset has been recognised in respect of the future tax deduction on share options.

Taxation receivable is £4,147,700 (2022: £2,990,000).

8 LOSS PER SHARE

Basic loss per share
The earnings and weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:

	2023 £'000	2022 £'000 Restated
Loss used in calculation of basic loss per share	(11,936)	(4,569)
	Number	Number
Weighted average number of ordinary shares of 0.1p each for the calculation of basic loss per share	816,051,311	815,218,831

Diluted loss per share
As the Group is reporting a loss from continuing operations for both years then, consequentially, the share options are not considered dilutive because the exercise of the share options would have the effect of reducing the loss per share.
At the year end the issued share capital amounted to 818,903,461 ordinary shares.

9 EMPLOYEE BENEFIT EXPENSES

	2023 £'000	2022 £'000
Directors' remuneration	757	1,185
Wages and salaries	2,831	2,031
Social security costs	438	361
Pension costs	73	50
	4,099	3,627

In addition, a charge for share-based payments totalling £726,000 (2022: £689,000) was made in the year. Share based payments charges for directors totalled £674,000 (2022: £651,000). This has arisen from the issuing of share options during the financial year and prior periods.

	2023 No.	2022 No.
The average monthly number of employees (including executive directors) was:		
Research employees	43	33
Other employees	8	7
	51	40

For the purpose of presentation in the consolidated statement of comprehensive income, remuneration costs of £2,674,353 (2022: 2,026,505) are included in development expenditure and £1,199,036 (2022: £1,385,245) are included in administrative expenditure.

9 EMPLOYEE BENEFIT EXPENSES (continued)

Key management personnel compensation

The two (2022: three) executive directors are the key management personnel and details of their remuneration are given in the Directors' Remuneration report. The following costs were incurred in respect of key management personnel.

	2023	2022
	£'000	£'000
Salaries	616	1,070
Benefits	2	2
Pension costs - defined contribution scheme	7	2
	625	1,074

In addition, share-based payment charges in respect of key management personnel totalled £665,000 (2022: £651,000).

Emoluments of highest paid director

Emoluments of the highest paid director were £369,000 (2022: £437,000).

Further information about the remuneration of individual directors is disclosed in the Directors' Remuneration Report.

10 TANGIBLE FIXED ASSETS

Current year	Computer Equipment £'000	Fixtures and Fittings £'000	Laboratory Equipment £'000	Total £'000
COST				
As at 1 May 2022	108	424	2,067	2,599
Additions	44	48	111	203
As at 30 April 2023	152	472	2,178	2,802
DEPRECIATION				
As at 1 May 2022	62	78	880	1,020
Charge for the year	32	98	406	536
As at 30 April 2023	94	176	1,286	1,556
NET BOOK VALUE				
At 30 April 2023	58	296	892	1,246
At 1 May 2022	46	346	1,187	1,579

Prior year	Computer Equipment £'000	Fixtures and Fittings £'000	Laboratory Equipment £'000	Total £'000
COST				
As at 1 May 2021	68	13	1,250	1,331
Additions	40	411	817	1,268
As at 30 April 2022	108	424	2,067	2,599
DEPRECIATION				
As at 1 May 2021	46	4	589	639
Charge for the year	16	74	291	381
As at 30 April 2022	62	78	880	1,020
NET BOOK VALUE				
At 30 April 2022	46	346	1,187	1,579
At 1 May 2021	22	9	661	692

11. LEASES

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

The Company has two leases:

- A new lease with the University of Nottingham ('UoN) for office and laboratory space entered into in November 2022
- A lease with The Oxford Science Park ('TOSP') for additional office and laboratory space which was entered into in August 2021.

The UoN Lease has been accounted for by recognising a right-of-use asset and a lease liability. The lease liability has been measured at the present value of the contractual payments due to the lessor over the lease term using an incremental borrowing rate of 5%, which is an estimate of the discount rate applicable to a property lease. The right-of-use asset has been initially measured at the amount of the lease liability. Subsequent to initial measurement the lease liability increases as a result of interest charged at a constant rate on the balance outstanding and is reduced for any lease payments made. Right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease.

	Land and Buildings £'000	Total £'000
RIGHT- OF-USE ASSET		
As at 1 May 2021	283	283
Additions	1,242	1,242
Amortisation	(360)	(360)
At 30 April 2022	1,165	1,165
Additions	204	204
Amortisation	(366)	(366)
At 30 April 2023	1,003	1,003
LEASE LIABILITIES		
As at 1 May 2021	271	271
Additions	1,242	1,242
Interest expense related to lease liabilities	48	48
Repayments	(390)	(390)
At 30 April 2022	1,171	1,171
Additions	204	204
Interest expense related to lease liabilities	53	53
Repayments	(376)	(376)
At 30 April 2023	1,052	1,052

11 LEASES (continued)

LEASE LIABILITIES	Up to three months £	Between 3 and 12 months £	Between one and five years £
At 30 April 2023	71	235	746
At 30 April 2022	116	199	856

ANALYSIS OF LEASE EXPENSE	2023 £'000	2022 £'000
Amortisation of right-of-use assets		
Land and buildings	366	359
Charge to operating loss	366	359
Interest expense related to lease liabilities	53	48
Charge to loss before taxation for leases	419	407

12 GOODWILL

	£'000
Cost at 1 May 2021 and 2022	3,415
Additions	-
Carrying value at 30 April 2022 and 2023	3,415

Goodwill is allocated to cash generating units ('CGU') and in the opinion of the Directors the Group consists of a single CGU. The goodwill arose on the acquisition of the wholly owned subsidiary Company, Scancell Limited. The Directors have carried out an impairment review of the goodwill arising on the acquisition of Scancell Limited. The Group has no budgeted revenues for the foreseeable future and so the Directors have compared the market capitalisation of Scancell Holdings plc, as quoted on AIM at the year end with the carrying value of the Group's net assets (including goodwill) and concluded that no impairment is necessary.

At 30 April 2023, the market capitalisation of the Company was £128.2million (2022: £116.2 million).

13 TRADE AND OTHER RECEIVABLES

	2023 £'000	2022 £'000
VAT receivable	129	195
Prepayments	409	452
	538	647

14 TRADE AND OTHER PAYABLES

	2023 £'000	2022 £'000
Trade payables	1,309	569
Taxation and social security	199	342
Accruals	1,462	1,226
	2,970	2,137

15 CONVERTIBLE LOAN NOTES

	Original			Restated			Restatement
Non-current	CLN1	CLN2	Total	CLN1	CLN2	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 May 2021	1,347	13,837	15,184	1,323	13,796	15,119	65
Interest expense	180	1,502	1,682	144	1,044	1,188	494
Derecognition of original instrument	1,527	15,339	16,866	1,467	14,840	16,307	559
Recognition of modified instrument	364	6,029	6,393	1,375	16,480	17,855	(11,462)
Interest expense	86	1,066	1,152	45	494	539	613
Interest paid in the year	-	(537)	(537)	-	(537)	(537)	-
At 30 April 2022	450	6,558	7,008	1,420	16,437	17,857	(10,849)
Interest expense				173	988	1,161	
Interest paid in year				-	(537)	(537)	
At 30 April 2023				1,593	16,888	18,481	

The first tranche of convertible loan notes ('CLN1') were issued interest free and convertible into ordinary shares of Scancell Holdings plc at 6.1 pence per share at any time at the option of the holder or repayable on 12 August 2022.

The second tranche of convertible loan notes ('CLN2') were issued with a coupon of 3% and convertible into ordinary shares of Scancell Holdings plc at 13 pence per share at any time at the option of the holder or repayable on 10 November 2022.

On 27 October 2021, the Directors entered into a deed of amendment relating to all convertible loan notes outstanding at that date which were held by funds managed by Redmile Group, LLC (the "Redmile Funds").

Under the terms of the deed of amendment:

a. the deed constituting the Nil Rate Unsecured Convertible Loan Notes 2020, dated 12 August 2020, is amended such that the redemption date is extended to 12 August 2025, and
b. the deed constituting the 3% Unsecured Convertible Loan Notes 2020, dated 10 November 2020, is amended such that the redemption date is extended to 10 November 2025.

The convertible loan notes are unsecured.

During the period, the valuation of the convertible loan notes liability and the derivative financial liability were reviewed and subsequently restated. The detail of this restatement is shown in note 24.

16 DERIVATIVE FINANCIAL LIABILITY

Non-current	2023 £'000	Restated 2022 £'000	Restatement 2022 £'000	Original 2022 £'000
Brought forward (1 May 2021)	-	22,893	10,862	12,031
Fair value gain	-	(4,081)	(1,998)	(2,083)
Derecognition of original instrument	-	(18,812)	(8,864)	(9,948)
	-	-	-	-
Brought forward (1 May 2022)	12,547	-	-	-
Recognition of modified instrument	-	24,509	11,254	13,255
Fair value expense/(gain) on revaluation	1,453	(11,962)	(8,802)	(3,160)
	14,000	12,547	2,452	10,095

During the period, the valuation of the convertible loan notes liability and the derivative financial liability were reviewed and subsequently restated. The detail of this restatement is shown in note 24.

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into three levels based on the degree to which the fair value is observable as defined by IFRS 13:

- Level 1 fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets and liabilities;
- Level 2 fair value measurements are those derived from inputs, other than quoted prices included within Level 1, that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The derivative financial instrument liability included in the Statement of financial position, which is classified as a Level 3 derivative financial instrument, is the fair value of the conversion option of the convertible loan notes issued to Redmile Group LLC. The fair value has been determined using the Black Scholes model and is determined at the initial recognition of the liability and then at each subsequent reporting date, using an estimated volatility, a risk-free rate, a dividend yield, expected term, exercise price and end of year market price as follows:

	August 2025 Year end 30 April 2023	November 2025 Year end 30 April 2023	August 2025 Year end 30 April 2022	November 2025 Year end 30 April 2022
Estimated volatility (%)	70.3	70.3	64.7	64.7
Risk-free interest rate (%)	3.9	3.9	1.65	1.65
Dividend yield (%)	0	0	0	0
Expected term (years	2.29	2.53	3.53	3.29
Market share price (p)	15.65	15.65	14.25	14.25

Changes to the fair value are recognised in finance expense in the Consolidated profit or loss and other comprehensive income statement.

17 LOSS ON SUBSTANTIAL MODIFICATION OF CONVERTIBLE LOAN NOTES

	2022 restated £'000	2022 Restatement	2022 Original £'000
Derecognition of original instrument (note 15)	16,307	(559)	16,866
Recognition of modified instrument (note 15)	(17,855)	(11,462)	(6,393)
	(1,548)	(12,021)	10,473
Derecognition of derivative liability on original instrument (note 16)	18,812	8,864	9,948
Recognition of derivative liability on modified instrument (note 16)	(24,508)	(11,253)	(13,255)
(Loss)/Gain on substantial modification	**(7,244)**	**(14,410)**	**7,166**

During the period, the valuation of the convertible loan notes liability and the derivative financial liability were reviewed and subsequently restated. The detail of this restatement is shown in note 24.

18 ISSUED SHARE CAPITAL AND RESERVES

	Ordinary Shares Number	Ordinary Share capital £'000s	Share Premium £'000s
As at 1 May 2020	**465,355,867**	**465**	**38,388**
August 2020 - placing, subscription and open offer	163,771,225	165	8,844
October 2020 - subscription for shares	93,071,170	93	12,006
October 2020 – conversion of convertible loan note	16,393,442	16	984
November 2020 – conversion of convertible loan notes	53,326,124	53	3,200
November 2020 – open offer to shareholders	23,301,003	23	3,006
Transaction costs for issued share capital			(1,409)
As at 30 April 2021 and 30 April 2022	**815,218,831**	**815**	**65,019**
January 2023 exercise of share options	3,184,630	3	140
April 2023 exercise of share options	500,000	1	22
As at 30 April 2023	**818,903,461**	**819**	**65,181**

All shares rank *pari passu* with voting rights and entitlement to dividend.

19 SHARE OPTIONS

The parent Company, Scancell Holdings plc, has granted options to members of staff as follows:

Share Scheme	Grant Date	Option Price	Number of shares	Period within which options are exercisable From	To
EMI	02.09.14	33.0p	40,000	02.09.17	02.09.24
	31.01.18	10.5p	3,333,277	31.01.18	31.01.28
	08.11.19	5.25p	180,000	08.11.19	08.11.29
	30.04.20	8.15p	1,000,000	30.04.20	30.04.30

The market price of the shares at 30 April 2023 was 15.65p and, the range during the year was 10.9p to 27.2p. Options may normally be exercised in whole or in part within the period of three to ten years after the date of the grant.

Further unapproved shares have been issued as follows:

Share Scheme	Grant Date	Option Price	Number of shares	Period within which options are exercisable From	To
Unapproved	10.12.13	33.2p	1,750,000	11.12.13	11.12.23
	18.04.16	17.0p	3,000,000	18.04.17	18.04.26
	31.01.18	10.5p	12,060,975	31.01.18	31.01.28
	30.04.20	8.15p	5,000,000	30.04.21	30.04.30
	30.07.20	4.5p	6,230,000	30.07.20	30.07.23
	09.09.21	21.25p	9,000,000	09.09.21	09.09.31
	16.02.22	14.15p	333,500	16.02.22	16.02.32
	19.04.22	14.25p	687,789	19.04.22	19.04.32
	20.04.23	17.50p	4,000,000	20.04.23	20.04.33

At 30 April 2023 the following options are held by Directors of the Company:

	Options At 30.04.22	Additions in the year	Options at 30.04.23	Exercise price	Date first exercisable	Expiry date
EMI Scheme						
S Adams	2,439,024		2,439,024	10.5p	31.01.18	31.01.28
Unapproved						
L Durrant	9,000,000		9,000,000	10.5p	31.01.18	31.01.28
L Durrant	1,000,000		1,000,000	8.15p	30.04.20	30.04.30
L Durrant	3,850,000		3,850,000	4.5p	30.07.20	30.07.23
L Durrant	9,000,000		9,000,000	21.25p	09.09.21	09.09.31
S Adams	60,975		60,975	10.5p	31.01.18	31.01.28
S Adams	1,000,000		1,000,000	8.15p	30.04.20	30.04.30
J-M Cosséry	-	3,000,000	3,000,000	17.5p	20.04.23	20.04.33
S Clement Davies	-	1,000,000	1,000,000	17.5p	20.04.23	20.04.33

19 SHARE OPTIONS (continued)

The weighted average exercise prices over the year were as follows:

Enterprise Management Scheme		
Number of options outstanding at 1 May 2022 and 30 April 2023	4,553,277	10.10p
Number of EMI options exercisable at 30 April 2023	4,373,277	9.90p
Unapproved Scheme		
Number of options outstanding at 1 May 2022	43,496,894	13.50p
Exercised in the year	(3,684,630)	4.50p
Additions in the year	4,000,000	17.50p
Number of options outstanding at 30 April 2023	43,812,264	14.62p
Number of unapproved options exercisable at 30 April 2023	33,131,405	13.08p
Number of unapproved options not exercisable at 30 April 2023	10,680,859	19.40p

All share options are equity settled. All options are subject to time vesting schedules (normally three years) to ensure retention and some options have stretching performance hurdles to ensure that rewards are consistent with delivery of strategic goals. Examples of performance hurdles include progress in clinical development programmes, and partnering.

20 SHARE BASED PAYMENTS

The Company operates a number of share-based incentive schemes as detailed in note 19. The fair value of the awards granted and the assumptions used in the calculations are as follows:

Date of Grant	Type of Award	Number of Awards	Exercise Price	Share price at grant date	Fair value per option
10 December 2013	Unapproved	3,500,000	33.2p	36.0p	4.0p
5 September 2014	EMI	80,000	33.0p	33.75p	6.0p
18 April 2016	Unapproved	3,000,000	17.0p	17.0p	3.0p
31 January 2018	EMI	5,829,064	10.5p	10.25p	1.0p
31 January 2018	Unapproved	9,621,950	10.5p	10.25p	1.0p
8 November 2019	EMI	180,000	5.25p	5.25p	1.0p
30 April 2020	EMI	1,000,000	8.15p	8.15p	7.0p
30 April 2020	Unapproved	5,000,000	8.15p	8.15p	7.0p
9 September 2021	Unapproved	9,000,000	21.25p	22.25p	19.0p
16 February 2022	Unapproved	333,500	14.15p	14.15p	9.0p
19 April 2022	Unapproved	687,789	14.25p	17.0p	10.0p
20 April 2023	Unapproved	4,000,000	17.5p	17.0p	11.0p

20 SHARE BASED PAYMENTS (continued)

A description of the key assumptions used in calculating the share-based payments follows.

1. The Black-Scholes valuation methodology was used where appropriate.
2. The expected volatility is based upon historical volatility over a period of time and was 45.5% (2022: 84.3%)
3. The expected life used in the model varies between two and five years and is based upon management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations.
4. The risk-free rate is based upon the prevailing UK Government bonds with similar maturity to the expected life at grant date.
5. Expected dividend yield is nil.
6. The weighted average fair value of options granted in the year was 11p (2022: 18p) .

21 RELATED PARTY TRANSACTIONS

During the year, the following directors provided consultancy services to the company as follows:

	2023 Total	2022 Total
Dr R.M Goodfellow	£17,917	£116,667
Dr J Chiplin	£111,124	£147,500

Dr J Chiplin provided his consultancy services through a limited company, New Star Ventures Limited and Dr R Goodfellow through his consultancy business, Dr Richard Goodfellow. At 30 April 2023, no balances were outstanding.

In addition to the above the Company has a current account with its parent company, Scancell Holdings plc. At the year end the balance owing to Scancell Holdings plc amounted to £322,884 (2022: £26,138,655) and included a management charge from the parent company Scancell Holdings plc to Scancell Limited of £322,884 (2022: £345,924). The current account balance is interest free and there are no set repayment terms.

22 FINANCIAL INSTRUMENTS

The Group currently finances its operations through reserves of cash and liquid resources and does not have a borrowing requirement. Surplus cash at bank is placed on deposits at variable rates. The Board monitors the financial markets and the Group's own requirements to ensure that the policies are exercised in the Group's best interests.

Liquidity risk

Liquidity risk is the risk that the Group and Company will not be able to meet their financial obligations as they fall due. The Group and Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group and Company's reputation.

22 FINANCIAL INSTRUMENTS (continued)

Market risk

Market risk is the risk that changes in market prices, such as interest rates and exchange rates will affect the Group and Company's income or the value of the holdings of financial instruments. The objective of market
risk management is to manage and control market risk exposures within acceptable parameters whilst optimising the return.

The Group has no cash assets other than sterling current account balances of £19,920,0000 (2022: £28,725,000) which are instantly available funds attracting variable rates of interest.

Credit risk

Credit risk is the risk of financial loss to the Group and Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from a Company's receivables from Customers. The Group and Company have no third-party customers and so this risk is viewed as minimal. Credit risk is considered for intercompany loans however the risk is mitigated through the management of those loans by way of regular capital contributions.

Maturity of financial liabilities

Except for the Convertible Loan Notes, Derivative financial liabilities and Lease liabilities, all other financial liabilities as at 30 April 2023 are payable within twelve months.

The following table sets out the contractual maturities (representing undiscounted contractual cashflows) of financial liabilities.

At 30 April 2023	Up to 3 months	Between 3 and 12 months	Between one and two years	Between two and five years
	£'000	£'000	£'000	£'000
Trade and other payables	2,771	-	-	-
Lease liabilities	71	235	306	440
Convertible Loan Note	-	-	-	19,647
Total	2,842	235	306	20,087

At 30 April 2022	Up to 3 months	Between 3 and 12 months	Between one and two years	Between two and five years
	£'000	£'000	£'000	£'000
Trade and other payables	2,138	-	-	-
Lease liabilities	110	250	346	464
Convertible Loan Notes	-	-	-	19,647
Total	2,248	250	346	20,111

22 FINANCIAL INSTRUMENTS (continued)

Fair values

All of the Group's financial assets and liabilities are initially recognised at transaction value, except for the convertible loan note liability and derivative liability. There is no material difference between the book value and the fair value, except for the convertible loan note liability. The convertible loan notes are a hybrid financial instrument, whereby a debt host liability component and an embedded derivative liability component was determined at initial recognition. For convertible notes with embedded derivative liabilities, the fair value of the embedded derivative liability is determined first and the residual amount is assigned to the convertible loan note liability. Upon modification of the loan notes in 2021, the modified convertible loan note liability was fair valued on a standalone basis and that value was subsequently accounted for as amortised cost. Further details of the convertible loan notes are included in notes 15, 16 and 17.

The Group's financial instruments comprise cash and cash equivalents and items such as trade and other payables which arise directly from its operations. The main purpose of these financial instruments is to provide finance for the Group's operations.

Financial instruments

	2023 £'000	2022 £'000 Restated
Financial assets		
Cash and cash equivalents	19,920	28,725
Financial liabilities		
Trade and other payables	(2,956)	(1,796)
Lease liabilities	(1,065)	(1,171)
Convertible loan notes	(18,481)	(17,857)
Derivative financial liability	(14,000)	(12,547)
Total financial liabilities	(36,502)	(33,371)

23. FINANCIAL COMMITMENTS

Scancell Limited in-licensed certain monoclonal antibodies for further development. Under the licensing arrangement, the Company is committed to make certain milestone and royalty payments to the licensor of up to a maximum of 10% of the licence revenue received on the in-licensed products.

Scancell Limited enters into various research and development services agreements with suppliers, in the course of carrying out its ongoing development activities. At each period-end, there are ongoing projects contractually committed – contracts generally have a range of termination options, with notice periods, such that if notice of termination is given, costs incurred to the termination notice date are settled by the Company.

24. PRIOR PERIOD RESTATEMENT

During the period, the Company revisited the valuation of the convertible loan notes on inception and at each subsequent period-end; and the valuation and accounting for convertible loan notes upon partial conversion to shares in 2020 and upon modification to extend their maturity dates in 2021.

It was determined that the valuation mechanics of the derivative liability component of the convertible loan notes required revision. The valuation of the derivative liability for each convertible loan note on inception and at each subsequent revaluation date has been updated to use the contractual conversion price as at each valuation date. The previous valuations had used the market share price as of each valuation date. The original convertible loan liability, on inception, calculated using the residual value method, was also adjusted accordingly, along with subsequent amortisation through interest payable.

At the time of the modification of the convertible loan notes in October 2021, a residual value method was used to determine the new carrying amount of the host loan by deducting the fair value of the derivative liability, after modification, from the original consideration received for the whole instrument. Upon revisiting the accounting, it was considered that this method was not appropriate and it was necessary to recalculate the fair value of the modified standalone host instrument, by reference to an appropriate market rate of interest, as at that date instead. Subsequent amortisation of the revised carrying value of the modified host convertible loans liability, through interest payable, was adjusted accordingly.

The fair value of the derivative liability element of certain convertible loan notes issued in August 2020, was not updated immediately prior to their conversion to shares in October 2020, in order to calculate the final amount to transfer to equity. The excess of the carrying values of the convertible loan note liability and derivative liability, immediately prior to conversion, for the loan notes converted, over their principal value, has been recorded directly in retained losses. Share capital and share premium, as previously reported, were unaffected.

Basic and diluted loss per share for the prior period have also been restated. The amount of the correction for basic and diluted loss per share was an increase in loss per share of 0.31p per share for both basic and diluted loss per share.

This prior period restatement also resulted in adjustments to the cashflow statements, in respect of adjusting loss before tax, non-cash revaluation gains/losses and non-cash interest payable. The adjustments for the Consolidated and Company cashflow statements for the year ended 30 April 2022 are summarised further below. There was no impact on cash itself and the prior period restatement does not impact the convertible loans' notional amounts or maturity dates disclosed.

The impacts of the prior year restatements on the financial statements line items for the year ended 30 April 2022 and the Group and Company statements of financial position as at 30 April 2021, are set out below. The restatement further affected related amounts disclosed in note 5 Interest payable, note 15 Convertible loan notes, note 16 Derivative liability, note 17 Loss on substantial modification of convertible loan notes and note 22 Financial Instruments.

24. PRIOR PERIOD RESTATEMENT (Continued)

Impact on the consolidated Profit or Loss and Other Comprehensive Income Statement for the year ended 30 April 2022

	2022 £'000 As Reported	£'000 Restatement	2022 £'000 Restated
Revenue	-	-	-
Development expenses	(9,477)	-	(9,477)
Administrative expenses	(4,787)	-	(4,787)
Grant income	965	-	965
OPERATING LOSS	(13,299)	-	(13,299)
Interest receivable and similar income	4	-	4
Interest payable	(2,882)	1,105	(1,777)
Gain/(loss) on substantial modification of convertible loan notes	7,166	(14,410)	(7,244)
Finance income relating to derivative liability revaluation	5,243	10,801	16,044
LOSS BEFORE TAXATION	(3,768)	(2,504)	(6,272)
Taxation	1,703	-	1,703
LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE LOSS	(2,065)	(2,504)	(4,569)
LOSS PER ORDINARY SHARE (pence)			
Continuing			
Basic	(0.25)p	(0.31)p	(0.56)p
Diluted	(0.25)p	(0.31)p	(0.56)p

24. PRIOR PERIOD RESTATEMENT (Continued)

Impact on the consolidated statement of financial position as at 30 April 2022

	2022 £'000 Reported	Restatement	2022 £'000 Restated
ASSETS			
Non-current assets			
Tangible fixed assets	1,579	-	1,579
Right-of-use assets	1,165	-	1,165
Goodwill	3,415	-	3,415
	6,159	-	6,159
Current assets			
Trade and other receivables	647	-	647
Taxation receivable	2,990	-	2,990
Cash and cash equivalents	28,725	-	28,725
	32,362	-	32,362
TOTAL ASSETS	38,521	-	38,521
LIABILITIES			
Non-current liabilities			
Convertible loan notes	(7,008)	(10,849)	(17,857)
Derivative liability	(10,095)	(2,452)	(12,547)
Leases Liabilities	(856)	-	(856)
	(17,959)	(13,301)	(31,260)
Current Liabilities			
Trade and other payables	(2,137)	-	(2,137)
Lease Liabilities	(315)	-	(315)
	(2,452)	-	(2,452)
TOTAL LIABILITIES	(20,411)	(13,301)	(33,712)
NET ASSETS/(LIABILITIES)	18,110	(13,301)	4,809
SHAREHOLDERS' EQUITY			
Called up share capital	815	-	815
Share premium	65,019	-	65,019
Share option reserve	1,395	-	1,395
Profit and loss account	(49,119)	(13,301)	(62,420)
TOTAL SHAREHOLDERS' EQUITY	18,110	(13,301)	4,809

24. PRIOR PERIOD RESTATEMENT (Continued)

Impact on the consolidated cash flow statement for the year ended 30 April 2022

	2022 £'000 As Reported	£'000 Restatement	2022 £'000 Restated
Cash flows from operating activities			
(Loss) before tax	(3,768)	(2,504)	(6,272)
Adjustments for:			
Finance income	(4)	-	(4)
Lease interest paid	48	-	48
Convertible loan interest payable	2,834	(1,105)	1,729
Finance expense for derivative liability	(5,243)	(10,801)	(16,044)
(Loss)/Gain on substantial modification of convertible loan notes	(7,166)	14,410	7,244
Depreciation	381	-	381
Amortisation of right-of-use asset	359	-	359
Share-based payment charge	690	-	690
Cash used in operations before changes in working capital	**(11,869)**	**-**	**(11,869)**
Decrease in other receivables	321	-	321
Increase in accounts and other payables	51	-	51
Cash used in operations	**(11,497)**	**-**	**(11,497)**
Tax credits received	1,304	-	1,304
Net cash used in operating activities	**(10,193)**	**-**	**(10,193)**
Investing activities			
Purchase of tangible fixed assets	(1,268)	-	(1,268)
Finance income	4	-	4
Net cash (used in) investing activities	**(1,264)**	**-**	**(1,264)**
Financing activities			
Convertible loan interest paid	(537)	-	(537)
Lease payments	(391)	-	(391)
Net cash (used in) / generated from financing activities	**(928)**	**-**	**(928)**
Net (decrease) in cash and cash equivalents	**(12,385)**	**-**	**(12,385)**
Cash and cash equivalents at beginning of the year	**41,110**	**-**	**41,110**
Cash and cash equivalents at end of the year	**28,725**	**-**	**28,725**

24. PRIOR PERIOD RESTATEMENT (Continued)

Impact on the consolidated statement of financial position as at 30 April 2021

	2021 £'000 Reported	Restatement	2021 £'000 Restated
ASSETS			
Non-current assets			
Tangible fixed assets	692	-	692
Right-of-use assets	283	-	283
Goodwill	3,415	-	3,415
	4,390	-	4,390
Current assets			
Trade and other receivables	968	-	968
Taxation receivable	2,590	-	2,590
Cash and cash equivalents	41,110	-	41,110
	44,668	-	44,668
TOTAL ASSETS	49,058	-	49,058
LIABILITIES			
Non-current liabilities			
Convertible loan notes	(15,184)	65	(15,119)
Derivative liability	(12,031)	(10,862)	(22,893)
Leases Liabilities	(63)	-	(63)
	(27,278)	(10,797)	(38,075)
Current Liabilities			
Trade and other payables	(2,087)	-	(2,087)
Lease Liabilities	(208)	-	(208)
	(2,295)	-	(2,295)
TOTAL LIABILITIES	(29,573)	(10,797)	(40,370)
NET ASSETS	19,485	(10,797)	8,688
SHAREHOLDERS' EQUITY			
Called up share capital	815	-	815
Share premium	65,019	-	65,019
Share option reserve	705	-	705
Profit and loss account	(47,054)	(10,797)	(57,851)
TOTAL SHAREHOLDERS' EQUITY	19,485	(10,797)	8,688

24. PRIOR PERIOD RESTATEMENT (Continued)

Impact on the Company statement of financial position as at 30 April 2022

	2022 £'000 Reported	Restatement	2022 £'000 Restated
ASSETS			
Non-current assets			
Investments	56,990	-	56,990
	56,990	-	56,990
Current assets			
Trade and other receivables	26,226	-	26,226
Cash and cash equivalents	398	-	398
	26,624	-	26,624
TOTAL ASSETS	83,614	-	83,614
LIABILITIES			
Current liabilities			
Trade and other payables	(230)	-	(230)
Non-current liabilities			
Convertible loan notes	(7,008)	(10,849)	(17,857)
Derivative liability	(10,095)	(2,452)	(12,547)
	(17,103)	(13,301)	(30,404)
TOTAL LIABILITIES	(17,333)	(13,301)	(30,634)
NET ASSETS	66,281	(13,301)	52,980
SHAREHOLDERS' EQUITY			
Called up share capital	815	-	815
Share premium	65,019	-	65,019
Share option reserve	1,395	-	1,395
Profit and loss account	(948)	(13,301)	(14,249)
TOTAL SHAREHOLDERS' EQUITY	66,281	(13,301)	52,980

24. PRIOR PERIOD RESTATEMENT (Continued)

Impact on the Company cashflow statement for the year ended 30 April 2022

	2022 £'000 Reported	£'000 Restatement	2022 £'000 Restated
Cash flows from operating activities			
Profit/ (Loss) before tax	9,311	(2,504)	6,807
Adjustments for:			
Convertible loan interest payable	2,834	(1,105)	1,729
(Gain)/Loss on substantial modification	(7,166)	14,410	7,244
Finance(income)/ expense for derivative liability	(5,243)	(10,801)	(16,044)
Cash flows used in operations before changes in working capital	**(264)**	**-**	**(264)**
Decrease/(Increase) in other receivables	(25,838)	-	(25,838)
Increase in accounts and other payables	56		56
Cash used in operations	**(26,046)**	**-**	**(26,046)**
Tax credits received	-	-	-
Net cash used in operating activities	**26,046**	**-**	**(26,046)**
Financing activities			
Convertible loan interest paid	(537)		(537)
Net cash (used in)/ generated from financing activities	**(537)**	**-**	**(537)**
Investing activities			
Capital contribution to subsidiary company	-	-	-
Cash used in investing activities	**-**	**-**	**-**
Net (decrease)/increase in cash and cash equivalents	**(26,853)**	**-**	**(26,583)**
Cash and cash equivalents at beginning of the year	**26,981**	**-**	**26,981**
Cash and cash equivalents at end of the year	**398**	**-**	**398**

24. PRIOR PERIOD RESTATEMENT (Continued)

Impact on the Company statement of financial position as at 30 April 2021

	2021 £'000 Reported	£'000 Restatement	2021 £'000 Restated
ASSETS			
Non-current assets			
Investments	56,300	-	56,300
	56,300	-	56,300
Current assets			
Trade and other receivables	388	-	388
Cash and cash equivalents	26,981	-	26,981
	27,369	-	27,369
TOTAL ASSETS	83,669	-	83,669
LIABILITIES			
Current liabilities			
Trade and other payables	(174)	-	(174)
Non-current liabilities			
Convertible loan notes	(15,184)	65	(15,119)
Derivative liability	(12,031)	(10,862)	(22,893)
	(27,215)	(10,797)	(38,012)
TOTAL LIABILITIES	(27,389)	(10,797)	(38,186)
NET ASSETS	56,280	(10,797)	45,483
SHAREHOLDERS' EQUITY			
Called up share capital	815	-	815
Share premium	65,019	-	65,019
Share option reserve	705	-	705
Profit and loss account	(10,259)	(10,797)	(21,056)
TOTAL SHAREHOLDERS' EQUITY	56,280	(10,797)	45,483

Scancell Holdings plc

COMPANY STATEMENT OF FINANCIAL POSITION

As at 30 April 2023

		2023 £'000	2022 £'000 Restated[1]	2021 £'000 Restated[1]
ASSETS				
Non-current assets				
Investments	A	71,546	56,990	56,300
		71,546	56,990	56,300
Current assets				
Trade and other receivables	B	486	26,226	388
Cash and cash equivalents		12,153	398	26,981
		12,639	26,624	27,369
TOTAL ASSETS		84,185	83,614	83,669
LIABILITIES				
Current liabilities				
Trade and other payables	C	(519)	(230)	(174)
Non-current liabilities				
Convertible loan notes	15	(18,481)	(17,857)	(15,119)
Derivative liability	16	(14,000)	(12,547)	(22,893)
		(32,481)	(30,404)	(38,012)
TOTAL LIABILITIES		(33,000)	(30,634)	(38,186)
NET ASSETS		51,185	52,980	45,483
SHAREHOLDERS' EQUITY				
Called up share capital	18	819	815	815
Share premium		65,181	65,019	65,019
Share option reserve		2,123	1,395	705
Profit and loss account		(16,938)	(14,249)	(21,056)
TOTAL SHAREHOLDERS' EQUITY		51,185	52,980	45,483

The Company's loss and total comprehensive loss for the financial year was £2,689,000 (2022 restated: profit of £6,807,000).

These financial statements were approved by the Directors on 30 October 2023 and are authorised for issue and are signed on their behalf by:

Professor Lindy Durrant
Director

[1] Please refer to note 24 of the consolidated financial statements for further details on the prior period restatement

Scancell Holdings plc

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 30 April 2023

	Share Capital	Share Premium	Share Option	Accumulated Losses	Total
	£'000	£'000	£'000	£'000	£'000
Balance 30 April 2021	815	65,019	705	(10,259)	56,280
Prior Period Restatement	-	-	-	(10,797)	(10,797)
Balance 30 April 2021 restated[1]	815	65,019	705	(21,056)	45,483
Profit for the year and total comprehensive income	-	-	-	6,807	6,807
Share option credit	-	-	690	-	690
Balance 30 April 2022 restated[1]	815	65,019	1,395	(14,249)	52,980
Share issue	4	162	-	-	166
Loss for the year and total comprehensive loss	-	-	-	(2,689)	(2,689)
Share option credit	-	-	728	-	728
Balance 30 April 2023	819	65,181	2,123	(16,938)	51,185

[1] Please refer to note 24 of the consolidated financial statements for further details on the prior period restatement

Scancell Holdings plc

COMPANY CASHFLOW STATEMENT

for the year ended 30 April 2023

	Note	2023 £'000	2022 £'000 Restated[1]
Cash flows from operating activities			
(Loss) / Profit before tax		(2,689)	6,807
Adjustments for:			
Finance income		(264)	-
Convertible loan interest payable	5	1,161	1,729
Loss on substantial modification	17	-	7,244
Finance expense/ (income) for derivative liability revaluation	16	1,453	(16,044)
Cash flows used in operations before changes in working capital		**(339)**	**(264)**
Decrease/(Increase) in other receivables		25,740	(25,838)
Increase in accounts and other payables		290	56
Cash generated from / (used in) operations		**25,691**	**(26,046)**
Tax credits received		-	-
Net cash generated from / (used in) operating activities		**25,691**	**(26,046)**
Financing activities			
Proceeds from issue of share capital		166	-
Convertible loan interest paid		(537)	(537)
Finance income		264	-
Net cash used in financing activities		**(107)**	**(537)**
Investing activities			
Capital contribution to subsidiary company		(13,828)	-
Cash used in investing activities		**(13,828)**	**-**
Net increase / (decrease) in cash and cash equivalents		**11,754**	**(26,583)**
Cash and cash equivalents at beginning of the year		**398**	**26,981**
Cash and cash equivalents at end of the year		**12,152**	**398**

[1] Please refer to note 24 of the consolidated financial statements for further details on the prior period restatement

Basis of preparation

These financial statements have been prepared in accordance with international accounting standards in conformity with requirements of the Companies Act 2006 applicable to companies reporting under IFRS and are consistent with the accounting policies of the Group set out on page 37. As permitted by Section 408(3) of the Companies Act 2006, the Income Statement of the parent Company is not presented with these Financial Statements. The loss and other comprehensive loss of the parent Company is shown in the statement of changes in equity.

A FIXED ASSET INVESTMENTS

COMPANY - shares in Group undertaking	£'000
Cost at 1 May 2021	56,300
Capital contribution to subsidiary company	-
Share options granted/cancelled	690
Cost at 30 April 2022	56,990
Capital contribution to subsidiary company	13,828
Share options granted	728
Cost at 30 April 2023	71,546

The Company's investment at the balance sheet date represents 100% of the ordinary share capital of its subsidiary Company, Scancell Limited, registered in the UK whose business is the discovery and development of treatments for cancer and infectious diseases. There are no significant restrictions within the Group regarding access or use of assets or settling liabilities.

At 30 April 2023 the aggregate capital and reserves of Scancell Limited was £10,712,081 (2022: £5,403,656) and its loss for the financial year was £9,247,729 (2022: Loss of £11,377,454). No impairment indicators were identified at 30 April 2023 and the market capitalisation of the Group at that date was £128.2 million (2022: £116.2 million).

B TRADE AND OTHER RECEIVABLES

Company	2023	2022
	£'000	£'000
Amount owed by Group undertakings	323	26,139
VAT receivable	52	5
Prepayments	111	82
	486	26,226

The amounts owed by Group undertakings are interest free with no set repayment term.

C TRADE AND OTHER PAYABLES

	2023	2022
	£'000	£'000
Trade creditors	274	44
Accruals	246	186
	520	230

D RELATED PARTIES

The Company has a current account with its subsidiary company, Scancell Limited. At the year end the amount owing to Scancell Holdings plc amounted to £322,884 (2022: £26,138,655).

E FINANCIAL INSTRUMENTS

	2023 £'000	2022 £'000 Restated
Financial assets		
Cash and cash equivalents	12,152	398
Amount owed by Group Undertaking	323	26,139
	721	26,537
Financial liabilities		
Trade and other payables	(520)	(230)
Convertible loan notes	(18,481)	(17,857)
Derivative financial liabilities	(14,000)	(12,547)
	(33,001)	(30,634)

Further details are included in note 22 to the consolidated financial statements.

During the period, the valuation of the convertible loan notes and the derivative financial liability were reviewed and subsequently restated. The details of this restatement are shown in note 24 of the consolidated financial statements.